

Preview

Ar. London's fringe theatres as for bidding as they may seem to the average West End theatregoer? Today's Preview, the 16-page guide to entertainment and the arts in Britain, identifies the best, brightest and the most provocative members of the volatile fringe scene. Preview also contains full information about films, theatre, music, exhibitions, family outings, sport and broadcasting in the coming week.

Leyland strike uproar

Strikers at the Leyland truck plant in Lancashire are to return to work on Monday after a mass meeting which ended in uproar when a conveyor announced a vote to continue the action. The verdict was later reversed. Colleagues at Chorley are also ending their strike. Workers at Bacheat in Scotland vote today. Page 2

Tube disaster in Moscow

Many workers were killed or injured when a staircase collapsed during the rush-hour at the Aviamotornaya Underground station in northern Moscow on Wednesday evening. The station is on a recently opened line.

£1m boost for London Zoo

The London Zoo, which asked for government aid last year after reporting a £550,000 deficit for 1980, is to receive an emergency cash advance "not expected to exceed" £1m, Mr Michael Heseltine, Secretary of State for the Environment, said in the Commons.

Football chiefs facing their crisis

Crisis in Football is a full-page analysis of the problems facing Football League chairmen at their seminar in Solihull this weekend. Page 19

Kincora inquiry

A public inquiry chaired by a High Court judge will investigate the circumstances of the non-sexual scandal at Kincora boys' home, Belfast, when police investigations are concluded, Mr James Prior told MPs. Page 2

Madrid trial

Spanish police have been placed on maximum alert for the court martial which begins in Madrid today of three Army generals accused of plotting the overthrow of democracy in Spain a year ago. Page 6

Share scramble

The Amersham International share issue was more than 20 times oversubscribed. Cheques for the issue totalling more than £1,000m put through the banking system caused a phone age of bank funds. Page 15

TROUBLED ALLIES

In the final article in a series on the state of the Atlantic Alliance, James Callaghan, the former Prime Minister, argues that the effectiveness of Nato will always be in doubt while America and Western Europe view the world in such different ways. Page 10

In The Times tomorrow

In the country with Susan Hill: The distinguished novelist brilliantly evokes rural life in the first of a series of articles from her forthcoming book, *The Magic Apple Tree*. The Great European Eaters: Gert von Paczensky begins his side of a combined gastronomic tour of Britain by eating at Inverloch Castle, Inverness-shire. The George Washington Scandals: Marcus Cunliffe, the historian, disentangles the man from the myth.

Leader page, 11

Letters: On the rail settlement, from Mr R. J. W. Crabbe, and others; child and parent from Dr A. M. McWhinnie, and Mr K. Campbell.

Leading articles: Spain; railways; gas and electricity prices. Features, pages 9, 10.

The Budget measures that could bring £7,000m investment and 300,000 new jobs; David Watt puts the case for a money-saving missile; schoolboy speculation on the United States stockmarket, by Peter Watson.

Obituary, page 12: Dame Ngaio Marsh, Dr Francoise Henry.

Home 2, 3, 5	Motoring 21
Overseas 6-8	Parliament 4
Arts 12	Sale Room 12
Books 13	Science 20
Business 14-18	Sport 19-21
Court 20	TV & Radio 23
Crossword 24	Theatre, etc 23
Diary 26	Weather 23
Events 29	Wills 12
Law Report 9	

De Lorean set to call in receiver for rescue bid

By Julian Haviland, Political Editor

Agreement on a voluntary receivership for the De Lorean car company in Belfast was expected in government circles last night after talks between ministers and the company's board resumed at the Northern Ireland Office in London.

It was expected that a considerable part of the business could be retained, with a reduced workforce.

A statement will be made in the Commons today. A meeting convened at noon yesterday was adjourned after half an hour when Mr John De Lorean was unable to prove he had succeeded in raising more capital privately in the United States. But the atmosphere was said to be amicable.

Discussion between the Government team, led by Mr James Prior, Secretary of State for Northern Ireland, and the De Lorean board was based on a report by Sir Kenneth Cork and the accountants Coopers and Lybrand on the company's past performance and future prospects.

The signs were that the two sides still differed on the probable size of the much-reduced market, which Sir Kenneth believes exists in the United States.

Mr Prior was last night maintaining the Government's refusal, as the company's major creditor, to make more money available and was also resisting Mr De Lorean's requests to restructure the company's debts or to postpone payment of loan interest.

The company has received more than £80m in state aid. With no sign of the £15m in extra capital which Mr De Lorean was reported to have raised, Mr Prior and his officials argued that receivership was inevitable.

The choice, it was suggested, therefore lay between an enforced receivership against the board's protestations with inevitably damaging consequences for the car's reputation, and a jointly agreed receivership with goodwill maintained.

By last night it appeared that the board and Mr De Lorean himself were resigned to the second alternative.

What appears to be the end of Mr De Lorean's company in its present form followed a day of confusion and rapidly-summoned meetings in the Northern Ireland office in London (David Hewson writes).

At the end of the day, Mr Cork said: "There is every chance that the jobs in Northern Ireland will carry on."

"There is hope for the company and Mr Prior thinks there is hope for the company," Motor industry sources last night speculated that, although Mr Prior may not be willing to inject new cash support, he may provide some loan guarantees.

Certainly he has come under concerted pressure in the past few days both from within the province, and from some of the mainland suppliers to De Lorean, who would be badly hit by the company's closure.

The car firm now employs 1,500 workers, but as many as 3,000 jobs could be lost elsewhere as a result of its failure.

Further job losses at De Lorean will be a desperate blow to Northern Ireland, where unemployment in January ran at 113.33 or 19.7 per cent.

But that figure hides pockets of 40 per cent male unemployment in some parts of depressed Catholic West Belfast from where the car plant draws a fair proportion of its workers.

Closure decision on Times next week

By Donald Macintyre, Labour Correspondent

Mr Rupert Murdoch, proprietor of *The Times* and *The Sunday Times* yesterday indicated that a board decision on whether to close the papers would be taken on Monday.

Mr William Keys, general secretary of the Society of Graphical and Allied Trades who spoke by telephone to Mr Murdoch in New York, said that he had indicated that the closure process would start on Monday unless the current negotiating deadlock over job cuts was broken.

Mr Murdoch, contacted at the New York Post confirmed *The Times*'s version of his statement to Mr Keys.

A deadline of 10 am yesterday for applications for redundancy passed, with an official statement from News International making it clear that the applications fell short of the cuts required of 600 full time jobs and 900 shifts.

That statement said that the company's offer, which laid down voluntary redundancy payments between 12 weeks wages, and a maximum of £25,000, had accordingly lapsed.

It added: "Talks with the unions are continuing. There has been movement in a number of areas but there are others where no substantial progress at all has been made. The talks, however, have been sufficiently encouraging in progress for them to be continued."

Control of two titles switched back to TNL

News International yesterday switched the title of *The Times* and *The Sunday Times* back to the ownership of its subsidiary Times Newspapers Ltd after an examination by Department of Trade officials of whether the original transfer was legal.

The move was up to the five independent national directors of the papers—who were not consulted about the transfer of the titles to News International last December—to decide whether to give their consent to any new transfer.

Mr John Biffen, Secretary of State for Trade, yesterday announced that the transfer decision had been reversed pending the meeting of the five of the six national directors, who are Lord Roll of Ipsden, Lord Robens of Woldingham, Lord Dacre of Glanton, Lord Greene of Harrow Weald and Sir Edward Pickering.

The following resignation last year of Sir Denis Hamilton, the Minister's written answer in the Commons said: "When I consented last year to the transfer of the titles of *The Times* and *The Sunday Times* to News International Ltd (NIL), I attached certain conditions designed to safeguard editorial independence. Among them was that NIL should, without the consent of a majority of the independent national directors, do anything which would result in *The Times* and *The Sunday Times* selling or otherwise disposing of any interest in *The Times* or *The Sunday Times*."

"I learned at the weekend of reports that Times Newspapers Ltd had transferred the titles of *The Times* and *The Sunday Times* to its parent company NIL. This was done without the consent of the independent national directors. My Department has discussed with representatives of NIL the transfer of the titles of *The Times* and *The Sunday Times* from TNL to NIL. In the light of these discussions I am satisfied that the transfers were carried out on the basis of legal advice, and no breach of the conditions would be involved, and that the purpose was not to achieve a situation whereby the conditions safeguarding editorial freedom would be avoided."

He refused, however, to be pinned down to saying when the effects of his policies would bring about an upturn in the economy. Sacking away, to some degree from the predictions of his economic advisors in their annual report to Congress that recovery would get under way in the second quarter, the President said it would happen in the months ahead.

The President emphasised that there were no plans to send combat troops to El Salvador or anywhere else, but he refused to say whether America would use covert action.

Trying to reassure Congress that the United States was not being drawn into a Vietnam-type of conflict in El Salvador, Mr Reagan said in his eighth news conference as President: "Let there be some misunderstanding, there are no plans to send American combat troops into action anywhere in the world."

He made it clear there was little room for compromise with Congress on his 1983 budget. He was sticking to his defence spending plans and tax cuts.

Mr Reagan said yesterday he had informed the Palace he was sending a photographer to cover the royal holiday. The *Star* always respected requests to stay away from the royal couple, but there had been no such request on this occasion, he said.

A few words for the Prime Minister



Mrs Vi Ruffel, from Dulwich, South-east London, one of more than 800 pensioners from all over Britain who lobbied Parliament yesterday for higher pensions and other concessions. Representatives from the National Pensioners' Convention, which is sponsored by the Trades Union Congress, met the Prime Minister, but said afterwards that Mrs Thatcher had offered nothing beyond a promise to consider waiving some standing charges on fuel supplies and telephone bills.

Fighting goes on amid Hama's rubble-strewn streets

From Robert Fisk, Hama, Feb 13

The unshaven Syrian tank crew seemed almost indifferent to the two shells that burst around a cluster of buildings half a mile to the west. There were two loud reports and a dirty trickle of brown smoke began to pour from the windows of a blue-painted house.

The soldiers watched for a few moments, their battlefired covered in a grim, their eyes bloodshot from lack of sleep, then lay back to rest against their vehicles. Only the women of Hama, black-robed most of them, waiting for transport out of the besieged city in which their homes had been destroyed, seemed to care.

A girl in her twenties, with a small, round, peasant face and pale blue scarf on her head, pushed herself into our car. "I want to look for my brother," she said quietly, as if suppressing emotion. His house was on fire. He was not there. I went to the cemetery. There were more than 100 bodies laid out but I could not find his. God be merciful. She sank into a corner seat, resentful and frightened.

There was another rumbling explosion across the ghost-like city followed by a peppering of rifle shots that sounded thin and unreal down the streets, as if someone had dropped a pack of cards on to a wooden table. The smoke had begun to blossom out of the buildings now, climbing upwards and smudging the surrounding streets in a brown mist.

The morning sun glinted briefly off a silver-roofed mosque, its perfect dome broken by a shellhole that had left a thick black stain on the tiles.

The Syrian Government say that the fighting in Hama has ended, that only a few fanatical members of the Muslim Brotherhood remain in the old quarter of the city. But they have not permitted foreigners to enter Hama and verify this, and it is easy to see why. The city is almost empty, inhabited only by exhausted soldiers, gunmen and frightened, desperate women, its suburbs surrounded by up to 12,000 troops and its streets covered in rubble.

I drove into the battle lines this morning with two soldiers who had asked me for a lift back to their units. They claimed—with considerable justification—that after 16 days, there was no sign to an end to the fighting.

Three hundred yards from one of the ancient wooden water wheels that once made the city famous, I saw a line of tanks and armoured cars, their turrets pointed towards the city.

Continued on back page, col 4

Auction houses go it gavel and tongs

By Torin Douglas

In the best tradition of baked bean and soap powder manufacturers, Britain's two biggest auction houses will soon be locked in an advertising battle, in which each is playing by different rules.

Sotheby's is taking the stance of brand leader, whose face is everywhere in advertisements; Christie's is promoting itself as the cheaper of the two.

Sotheby's, the world's largest auction house, is launching a £7.5m campaign this weekend to persuade the art world that it is the place to auction one's valuables. So confident is the company of the value of its name that the advertisements appearing in national newspapers and magazines will not even carry the company's address or telephone number.

They will simply show an elegant blonde, whose face is never seen, admiring pieces in elegant houses, with the copy line: "You're thinking of selling? And you haven't spoken to Sotheby's?"

The advertisements speak volumes by what they do not say. There is no mention of the issue that has split the art world, namely the buyer's premium charged by auctioneers, which is being investigated by the Office of Fair Trading.

The contrast with the advertising campaign by Christie's, Sotheby's greatest rival, could hardly be greater. For Christie's, which is launching its December to cut its buyer's premium from 10 per cent to 5 per cent, is hammering home in its advertisements its 2 per cent advantage over Sotheby's.

Christie's, now an even bigger bid, the price-conscious headline says: "By reducing the buyer's premium by a fifth, from 10 per cent to 8 per cent, Christie's now offers the most competitive rates of any international auction house."

The advertisement remains in the old quarter of the city. But they have not permitted foreigners to enter Hama and verify this, and it is easy to see why. The city is almost empty, inhabited only by exhausted soldiers, gunmen and frightened, desperate women, its suburbs surrounded by up to 12,000 troops and its streets covered in rubble.

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Continued on back page, col 4

about it watched later by Bobby... That's what we been his life. His memories and...

RISEING DAMP

At last—a simple permanent solution.

The Doulton Wallguard treatment will put an end to your rising damp—and all the costly damage it causes!

The Doulton Wallguard ceramic tubes are installed without fuss—usually in a day. Providing an efficient, effective remedy to rising damp.

GIVE YOUR HOME THE DOULTON WALLGUARD TREATMENT TODAY!

FREE DAMP TEST

Our experts will survey the extent of damp in your home FREE! (Alternative treatments may be offered where appropriate.)

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South of England 0452 419991
South West 0424 504335
Wales 0423 307171

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Address _____

NO STAMP NEEDED

INSTALLATIONS IN ENGLAND, WALES, SCOTLAND, IRELAND, NORTHERN IRELAND

Cabinet seems to have shelved rating reform

By Philip Webster, Political Reporter

The Cabinet seems to have abandoned hope of passing legislation to reform the rating system during the present Parliament. Senior ministers, after reluctantly concluding that there is not enough time to agree on an alternative system, are considering ways of presenting a revised commitment to reform at the next general election.

They accept that, having failed to come up with an answer in its previous term of office, the Government would need something more than a simple manifesto pledge for any promise of reform to carry credibility with the electorate.

One strong possibility canvassed by senior ministers is that, on the assumption that some form of consensus emerges between new and the election, a draft rates reform Bill will be included in the next manifesto.

Another, less likely option, is that that Bill would be introduced, with no prospect of enactment, in the final session of this Parliament, which, if the Government runs near to its full course, would begin in the autumn of 1983.

That session will inevitably be truncated by the dissolution, and legislation on such an important subject would have no chance of getting through in time. The likelihood of a Bill in the next session starting next autumn has all but disappeared.

Ministers and most Conservative MPs are committed to the system, but have found it impossible to agree on what should replace it. During the election campaign in October, 1974, Mrs Margaret Thatcher, then Opposition environment spokesman, made a personal pledge to abolish the rates.

The Conservative manifesto then stated: "Within the normal lifetime of a Parliament we shall abolish the domestic rating system and replace it by taxes more broadly based and related to people's ability to pay."

In the last manifesto the commitment was modified: "Cutting income tax must

take priority for the time being over abolition of the domestic rating system." However, the Government's latest move came in December with the publication of a Green Paper, which reiterated its commitment to reform and set out the various alternatives.

Representations have been invited by March 31. They will be voluminous, but will yield no consensus. All the options — a local sales tax, local income tax, or a poll tax, or combinations of either of them with some form of domestic rates, are so fraught with complications that the Cabinet accepts that it is impossible to produce legislation in the next session.

Perhaps the most persuasive argument influencing ministers against action in this Parliament is the approach of the next election. Even if legislation were passed in the next year or two it could not take effect, because of the complex system of computerization involved, until the late 1980s. In the forthcoming legislative programme, which the Government's business managers expect to be heavy, ministers will want to concentrate on measures that have more short-term electoral appeal.

Law Report, page 9

Shore battles on for pay-peg policy

By Anthony Revins, Political Correspondent

The Labour leadership's softening-up campaign in preparation for the eventual introduction of a pay-peg policy was continued last night with a speech from Mr Peter Shore, the shadow Chancellor.

He told a Labour club meeting in Wigan that the Labour Party in Government would have to face and overcome the twin problems of inflation and unemployment.

He then quoted the 1944 White Paper on Employment Policy, which said that if a high and stable level of employment was to be maintained it would be essential for employers and workers to exercise moderation in wage matters.

Mr Shore said: "If this does not happen, then increased Government expenditure will not create jobs, but simply swell costs and raise prices. That is why relative price stability and the containment of costs, including income increases, are essential."

Such a policy would require price controls, tax cuts, and union cooperation, but Mr Shore failed to spell out the practicalities that would lead to the negotiation of a new social contract.

He said merely that the Conservatives would scoff at the notion of such a joint venture, but such ridicule would be directed against the ability of men and women to make a judgment of their own best interests and to commit themselves to restraint for the benefit of society.

Mr Shore's speech, a repeat of an appeal for intervention in the collective bargaining process that he made at the party conference last September, comes in the wake of an interview with Mr Michael Foot in *Tribune* last week, in which the Labour leader spoke of the need for pay restraint.

Dilemma on sixth forms

By Diana Geddes, Education Correspondent

A government report on the relative costs of different systems of education for young people aged 16 to 18 was published today. But it offers no advice on whether school sixth forms, sixth form colleges, or tertiary colleges, would be most acceptable.

The report takes the form of a manual on methods of costing educational provision. It is not a guide to the costs of particular forms which would vary from area to area, the Department of Education and Science says.

In a foreword to the report, Mr William Shelton, Under Secretary of State at the department, says councils should consider costs in

deciding what form of post-16 provision would best suit local needs. However, the Government's view is that the chief concern must be with educational quality and choice.

Last November, the Government rejected Manchester's proposals to replace all its school sixth forms with sixth form colleges, in spite of advice from the HM Inspectorate for Schools and civil servants that the proposals should be approved.

It is also expected to reject schemes in Croydon and Birmingham to replace sixth forms with tertiary colleges or sixth form colleges.

Polaris submarines face longer lives

By Henry Stanhope, Defence Correspondent

Britain's four Polaris submarines will probably have to serve for five years longer than originally planned if the Government, as expected, chooses to buy the Trident-2 missile.

They were to have been phased out from about 1992 by when the oldest, HMS Resolution, would have completed 25 years. They would then have been replaced one by one, by new boats carrying the American Trident-1 or C4 missile.

It is understood that the proposal, which has been drawn up at the ministry, envisages delaying the introduction of the new nuclear deterrent until the late 1990s.

Sources say that a decision to change to Trident-2 and the bigger submarines to carry it, would push the cost of the procurement package from the present Government estimate of £5,000m to about £7,500m.

By postponing its introduction, however, the Government would spread the cost over a longer period. That would enable the ministry to keep down the cost of the procurement to an annual average of 3 per cent of the defence budget.

The ministry would have to be convinced that the existing boats would be capable of carrying their dangerous cargo for five or so more years. No difficulties are anticipated.

As for the missiles, the ministry is bringing the new Chevaline warhead into service this year, which should extend their capacity to penetrate to targets in the Soviet Union.

The ministry has also confirmed that a programme costing several hundred million pounds is soon to begin, to replace the rocket motors of Polaris stocks from the United States to keep the United Kingdom deterrent in good repair after it has been phased out of service in the United States Navy.

Case for a money-saving missile, page 10

Hope behind the despair of Bullwood

By Peter Evans, Home Affairs Correspondent

Girls at Bullwood Hall, a boarding school in Essex, which has become notorious as Britain's most "violent and troubled" prison establishment, are furious about a paper issued last week which said the place should be closed.

Keep Out, a new pressure group, described Bullwood as a "freaky, isolated establishment" where girls faced "a sentence of despair". But if that is the truth, it is not the whole truth, as a visit there this week established.

Dr Rowland Berry, the visiting psychiatrist who is quoted as saying that Bullwood was probably the most difficult establishment in the United Kingdom, also said it was a caring community. He told me: "Many more girls cry when they leave than when they come."

One girl, who has been in care since the age of 11, said: "This place is magic. It is just like a children's home." She was being cuddled by a motherly prison officer.

A girl aged 15, in for criminal damage and assault on the police, showed me a letter she had written to *The Times* saying: "Did the report mention girls trying to prolong their stay because they become attached to staff and girls?"

She said some deliberately got into trouble to try to get their sentences extended.

The girls agree that some tattooing takes place, but they maintain that stories of other forms of self mutilation are much exaggerated. A girl, aged 18, who admitted becoming a burglar when she was nine, said that her tattoos, done before coming to Bullwood, were "to make me look big". The girls' tattoos are examined on admission to see if others are added while they are inside.

Another 18-year-old, in for taking away a car and burglary, showed me her bandaged arm and said she had cut herself with a toothpaste tube. She bled. "It just came into my head." She said she did it because staff would not believe her when, on arrival, she said she had a period and so could not have a VD examination.

Dr Perry said he had come across one girl with 17 foreign bodies, needles, pins, and straightened-out paper clips, in her skin.

But staff say that to refer only to mutilation taking place without referring to what is being done about it, tells only half the story. Mr Eric Cullen, Bullwood's senior psychologist, describes the Keep Out paper as "fragments of facts with uninformed comment". He tells how a computer has been used to help to predict which girls might mutilate themselves. As a result, the incidence of self injury has been reduced from 11 cases a week in 1979 to two a week for the last six months.

Girls most at risk are those with a previous history of self injury, previous institutional experience, a record of violent offences, and who have low self-esteem and a low capacity for self-expression.

The Keep Out paper says there are even cases of self-strangulation. But while there is wide concern about cell deaths in the rest of the prison service, Bullwood staff cannot recall a single case of suicide there although there have been attempts.

The girls would no doubt be easier to control if drugs were used with that in mind, but Dr Berry says: "We don't give drugs much. I don't believe drugs are useful for the control of naughty behaviour."

Instead, some of the more disturbed girls are being taught how to make letter cases to give as mother's day presents. And Dr Berry has set up a so-called "love department" (a psycho-

therapy unit) where girls are treated with more warmth and affection than might be the case outside.

Two "well known" girls about town, as Dr Berry introduced them, had 21 'O' levels between them. Another asked a prison officer for a book on neo-realism, which she is going to buy.

Perhaps the best recommendation for the job Bullwood tries to do is the number of cards and poems girls send staff.

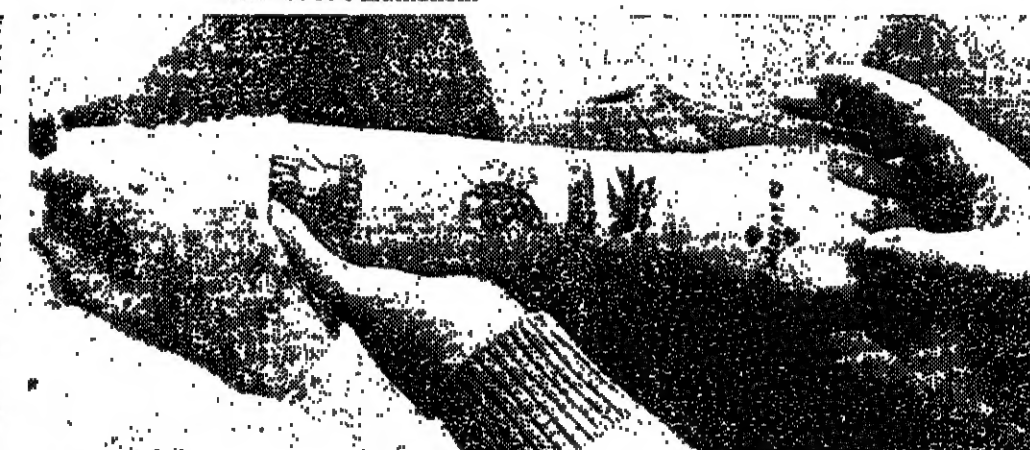
Forty-five per cent of the girls are reconvicted after 12 months, according to the psychologist's figures.

But there are grounds for criticism which Keep Out did not mention. Bullwood is suffering a serious staff shortage because the new Holloway Prison is being given priority after a recruiting ban.

Bullwood is a penal dustbin in the sense that nowhere else will take one of the most troubled and volatile populations in the penal system.



Taking care: Bullwood girls can find more attention than they get outside. Below, tattoos are inspected on arrival to monitor self-mutilation.



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NEWS IN SUMMARY

Anglers face curbs on trout

An outbreak of whirling disease, which makes young trout swim in circles until they die, seems to be mainly affecting Yorkshire, Humberside, Lincolnshire, Powys, and Lancashire, according to a Parliamentary reply by Mr Peter Walker, Minister of Agriculture and Fisheries, and food (Ronald Kershaw writes). Twenty-five cases have been confirmed in England and Wales and orders have been imposed prohibiting the movement of live fish, and eggs of fish, and foodstuffs for fish from the infected areas.

Mr Walker said he could offer no hope of the orders being lifted in time for the opening of the trout fishing season next month. Until the outbreak was detected last year there had been no record of the disease in England or Wales, although it broke out in Scotland in 1968.

School cleared on 'punishment'

Allegations that pupils at a Cornish village school were excessively punished were rejected yesterday.

It had been claimed that an epileptic girl, aged nine, had been struck by the headmaster (Stopp), which claimed the girl was struck across the knuckles with a piece of wood.

The accusations were made by the Society of Teachers Opposed to Physical Punishment (Stopp), which claimed the girl was struck across the knuckles with a piece of wood.

'Tribune' editor to advise Foot

Mr Michael Foot, the Labour leader, has appointed Mr Richard Clements, aged 53, editor of *Tribune*, as his political adviser for the run-up to the next general election. (Our Political Correspondent writes).

Mr Clements, who took up his post in April. He said yesterday that he had worked with Mr Foot on the *Daily Herald* and had joined *Tribune* in 1955, when Mr Foot was editor.

Whitehouse rebuffed

Lord Thomson of Monifieth, Chairman of the Independent Broadcasting Authority, has refused to censor Spooner's Patch, a programme about the Police made by Central Independent Television Ltd. Mrs Mary Whitehouse, president of the National Viewers and Listeners Association, had complained that the programme presented the police as "thoroughly corrupt and promiscuous".

BMW chief defends price policy

By Patrick Waymark, Motoring Correspondent

The German BMW company yesterday defended its policy of charging 50 per cent more for cars in Britain than on the Continent.

Dr Walter Hasselkus, managing director of BMW (GB), said that if importers were forced to cut prices, British manufacturers would have to follow and that could be disastrous for the industry.

BL would lose even more money and Ford might close its British plants he said. The loss of jobs in an industry where 330,000 workers were made redundant last year would be terrifying, he said.

Dr Hasselkus said the prices of British-built cars were high because manufacturers were not competitive on either productivity or efficiency. He added: "We importers have to price our cars accordingly or we would damage the British car industry and therefore the British economy."

Dr Hasselkus said BMW could reduce its prices in Britain by 10 per cent and still be profitable.

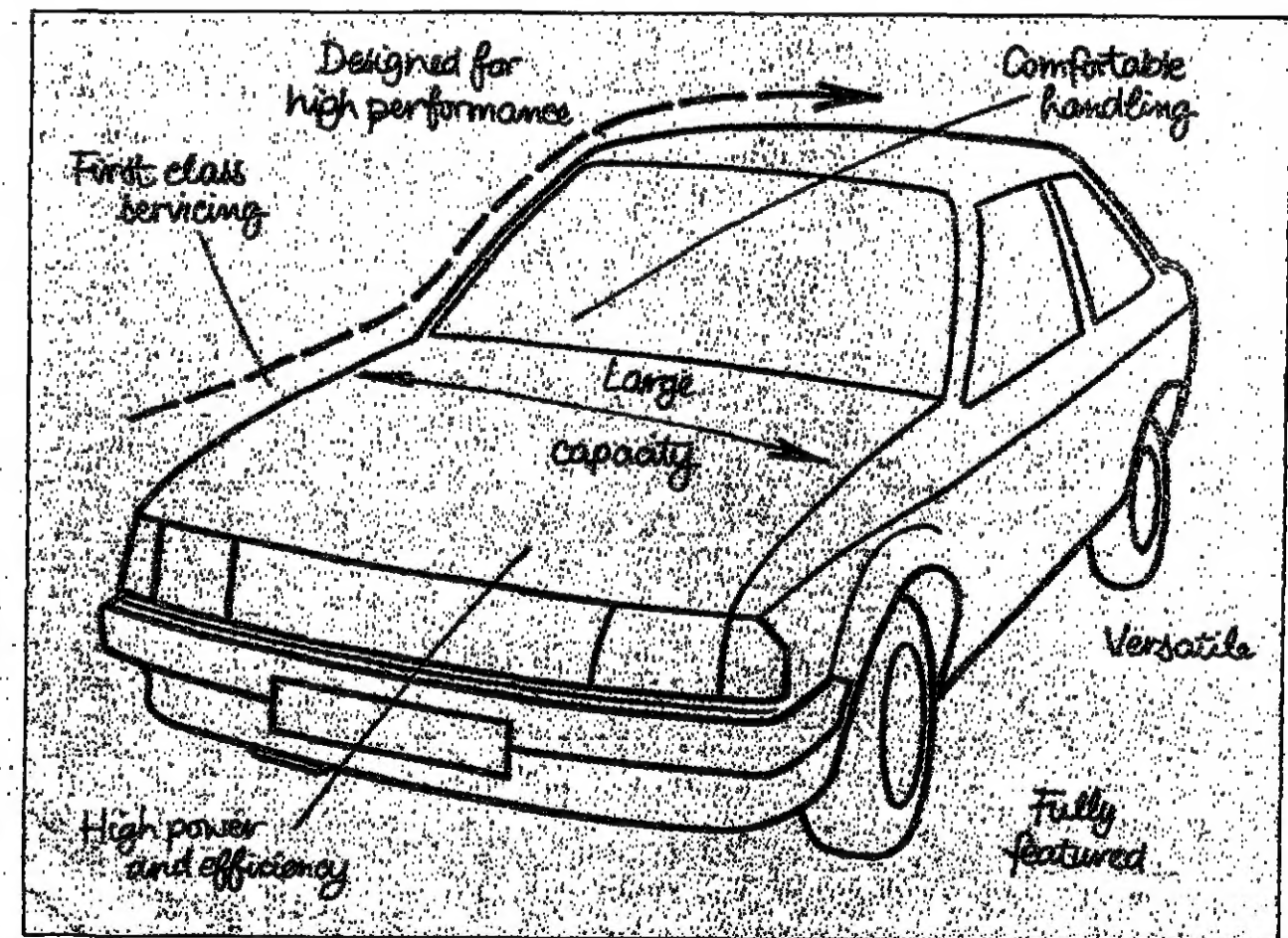
If the European Economic Community insisted on reducing price differentials, the process would have to be spread over five years to minimise dislocation to the whole European car industry.

The following table shows companies the prices of BMW cars in Britain and West Germany. The German prices have been converted to sterling at 4.5 marks to the pound.

Model	U.K.	W. Germany
320	£7,775	£4,958
525i	£11,355	£6,756
625CS	£14,255	£8,956
725i	£18,155	£10,788

Dr Hasselkus criticized for unauthorized dealers who tried to import cheap cars from the continent for looking for profit without responsibility. He said authorized dealers had to provide an after-sales network and without profits from new cars, that would suffer.

Eventually the roads of Britain would be littered with unsafe and unreliable cars. The consumer organizations have not mentioned this aspect of buying cheap cars abroad.



Think of your new word processor as a car and you'll drive a CASE 3000

Choosing a word processor can be like choosing a car. What looks a bargain often turns out to be false economy. You quickly outgrow limited capacity; it doesn't have the features you need; it simply isn't powerful enough.

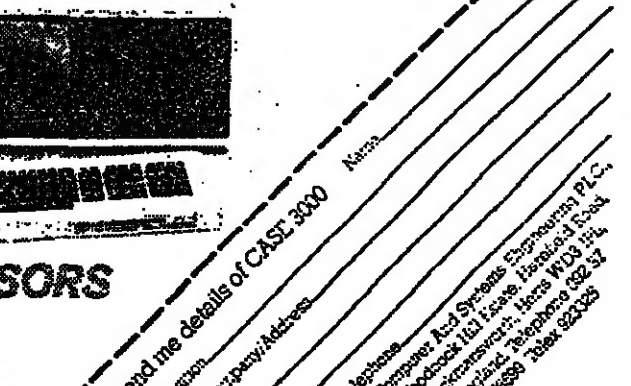
As with cars, price shouldn't be your only consideration. Your needs should be properly evaluated for now and the future. And that's when you should look at the CASE 3000.

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Whitelaw says no to corporal punishment

LAW AND ORDER

Mr William Whitelaw, Home Secretary, and Mr Patrick Mayhew, Minister of State, Home Office, made plain to Conservative backbenchers that the Government was not proposing to reintroduce corporal punishment.

Mr Philip Holland (Carlton, C) called for its reintroduction as a means of reducing violent crime, particularly offences of mugging in the streets.

Mr Whitelaw said that corporal punishment was abandoned in 1948 and an advisory council in 1950 found that its reintroduction would not help. It would be the wrong time to be completely contrary to our international obligations and so I am not considering the possibility of its reintroduction.

Mr Edward Taylor (Southend, East, C) said that corporal sentences and allied deterrents had been accompanied by a massive upsurge in crime and also appalling congestion in prisons. Why were ministers not prepared to look at corporal punishment? Since corporal punishment was abolished in the late of Man there has been a 78 per cent rise in crimes of violence.

Mr Mayhew: The advisory council which reported in 1950 took account of the views of the public that corporal punishment should be reintroduced. It examined comprehensive research on the subject. As to the

deterrent effect, the council concluded that corporal punishment was not an especially effective deterrent. In many quarters it was thought a good thing when the European Court of Human Rights pronounced against the closed shop last year. We must take care we are not seen to be in favour of the part of the law that favours us.

Mr Martin Flanagan (Sheffield Hillsborough, Lab): A powerful section of the Tory Party still believes in 1982 that they can flog mankind into submission. Sir Albert Costa (Folkestone and Hythe, C): His attention was drawn to a letter sent to the Home Secretary by a constituent of mine suggesting that rape is a dreadful crime that castration is the only proper remedy? Would not that be a punishment fitting the crime?

Mr Mayhew: While sympathising with the sense of abhorrence that inspired what lay behind his constituents suggestion, I think also appalling congestion in prisons. Why were ministers not prepared to look at corporal punishment? Since corporal punishment was abolished in the late of Man there has been a 78 per cent rise in crimes of violence.

Mr Mayhew: The advisory council which reported in 1950 took account of the views of the public that corporal punishment should be reintroduced. It examined comprehensive research on the subject. As to the

schools, the strengthening of the family unit and a greater deterrent. The more lightly we treat criminals (she said) the more criminals there would be.

Mr Mayhew said the areas she referred to did have a bearing upon the problem of crime and its increase. The criminal justice Bill gave a substantially wider range of penalties, including custodial and non-custodial penalties to the courts.

Asked whether the punishment currently being imposed by magistrates on violent offenders were proving an effective deterrent, Mr Mayhew said: In combating violent crime, sentencing policy has an important part to play. While the deterrent effect of any sentence is not readily measurable, the Home Secretary has no doubt that magistrates are giving full weight to the principle of deterrence.

Mr Jocelyn Cadbury (Birmingham Northfield, C): In the report there is a reference to muggings in certain inner cities were up by 50 per cent? Did she note also the assertion by the police that these offences were increasing, with gangs of up to 50 young blacks looting shops in Broad daylight?

As it is widely believed (he went on) that both the police and the public are becoming more inhibited by what are loosely termed "community relations", would she have a word with the Minister for Race Relations who said in the House that his door is always



Holland: Mugging in streets

Mr Alan Clark (Plymouth, Sutton, C) later asked if the Prime Minister has seen the report that the number of muggings in certain inner cities were up by 50 per cent? Did she note also the assertion by the police that these offences were increasing, with gangs of up to 50 young blacks looting shops in Broad daylight?

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Taylor: Upsurge in crime

open, and suggest to him that he makes contact with those suffering in those communities, namely the victims?

Mrs Thatcher: I recognise his great concern about increasing mugging and other crime, particularly in London which is revealed this morning. There has been a considerable increase in the number of police in London. We are still not up to full establishment. We are about 1,500 short of full establishment. Further recruitment will continue because we must have sufficient police to deal with this. That the first thing we must do is that is not enough, then we shall have to consider increasing the establishment.

Leaders clash on pension rises

PM'S QUESTIONS

The Prime Minister repeatedly contended during question time that the Labour Government had deliberately tipped costs towards industry, and sold domestic gas at a lower price.

Mr Foot tackled her about the meeting she was shortly to have with a delegation from the National Pensioners Convention committee. Would the Prime Minister confirm, he went on, that what her Government did last year was to cut by 3 per cent the real value of the pension?

Will she give an assurance (he asked) that she will restore the value of the pension in the forthcoming budget?

Mrs Thatcher: I will not confirm what he says any more than he would confirm that the Labour's last pension increase left the pension well below what it had been. (Interjections.) We have a pledge and we stand by it. The value of the pension will be retained in real terms.

We have announced that in so far as it was last year it will be increased the following year and in so far as it was more one year, it would be smoothed out the following year. On the whole, the value of the pension will be retained in real terms.

Mr Foot: Will she study the figures of the pension? Last year was the first time since 1970 that there has been a cut in the value of the pension. The pension is not a good idea to try and pure inflation by making old-age pensioners freer?

Mrs Thatcher: In the first year, the increase in the pension was greater than the increase in inflation. In the second year it was slightly less. We have therefore raised the pension, and we will make up the shortfall in the second year.

The pension will retain its value in real terms. I would be grateful if Mr Foot would accept these facts.

On what is spent on fuel, for those on supplementary benefit and family income supplement this is greater in real terms than under any previous Government.

Mr Foot: The pensioners know the value of the pension. I would suggest she should publish in Hansard the figures from 1970 of the real value of the pension, and she should say what she is saying is right and what the pensioners are saying is right.

Mrs Thatcher: He heard my reply. What of the facts therein dispute what he said? (Conservative cries of "Answer".)

Mr David Stoddart (Swindon, Lab): Has she seen the announcement by British Gas of a 10 per cent increase in the price of gas during the current year? This will cause a great deal of hardship for pensioners and other people already struggling to cope with the cost of living.

Will she, as an act of compassion, withdraw the instruction to the gas board that they must increase prices 10 per cent above the rate of inflation?

Mrs Thatcher: British Gas has been selling gas to the domestic purchaser in the home at or below the cost of production. The profit has largely been coming from industry.

That will not surprise him. He will remember the Labour Government deliberately tipped costs towards industry, and sold domestic gas at a lower price.

Even with this year's increase, British Gas will only break even on domestic gas. The United Kingdom domestic gas price is now considerably lower than in France or Germany. What we have done about industrial gas is to freeze the price for one year.

This Government through the taxpayer, is providing a larger amount for fuel subsidy than any previous Government.

Mr Kenneth Lewis (Rutland and Stamford, C) during questions on business, said: Many people on our side of the House are concerned about what we think are extravagant demands proposed to be made for increases in gas and electricity prices which we feel will only add to inflation which the Government is trying to keep down and which will make it more difficult to keep salaries and wages in check.

Mr Francis Pym, Leader of the House, it is an important matter but the Prime Minister has said that the domestic user, gas, is sold below price.

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Police files defended as necessary

HOME OFFICE

There was a considerable amount of evidence that the police held files on people who had committed criminal pasts and that it was a serious invasion of their privacy, Mr Robert Kilroy-Silk (Ormskirk, Lab) said today.

Earlier Mr William Whitelaw, the Home Secretary, had rejected a suggestion from Mr Sirice Douglas-Manning (Mersey, Lab) and Mr Morden, Lab) that he should call for reports from chief constables to ascertain how many police forces, including their special branches, held files, and showing what proportion of these related to people with no criminal record.

Mr Douglas-Manning asked why files on individuals were not subject to scrutiny or questioning by the House.

It is true (he said) that there are special branch files on over a million people. How many MPs are on them? Is the Home Secretary satisfied to let the access to them? How was *The Observer* able to obtain information about the contents of files on people who had done nothing more than to be active as a student in the campaign against the South African rugby tour?

Mr Whitelaw: The Special Branch maintain records on individuals where it is necessary to enable

them to carry out the task placed upon them. (Conservative cheer.)

Mr Kilroy-Silk asked for an assurance that in any future arrangements for the protection of data there would be access to police files.

Mr Whitelaw: I must reserve the position until I have a statement on data protection.

Mr Christopher Price (Leisham, West, Lab): Would he agree that in principle in data legislation, there should be no difference between access to electronic files held in computer files and access to manual files?

Mr Whitelaw: I note what he says. I must ask him to await the statement I will make on this important subject.

Police may get fresh advice on rape cases

The Home Office is considering further guidance to the police on the interviewing of the victims of rape, Mr Timothy Raison, Minister of State, Home Office, said today.

He had been asked by Mr Michael McNair-Wilson (Newbury, C) to examine whether the Sex Offences Act 1956 was having an inhibiting effect on the deployment of women police

officers and the duties they performed.

Mr Raison replied: We do not consider that a review is necessary. Chief constables are able to deploy women officers on a wide range of duties.

Mr McNair-Wilson: Before the 1976 Act women police were a specialist department handling crimes involving women and complaints like rape. As a result of the Act, the police have had to become an integrated force and the specialist department has been broken up.

Summerskill: Tact and sympathy

In view of the concern about offences against women, does he not feel this offence should be looked into by women officers?

Mr Raison: As a Minister, I have to restrict the availability of officers of either sex for particular classes of police work. It is true that the specialist units have been terminated. The advisory committee on the law of rape, under Mrs Justice Heilbrunn, considered that sympathy and understanding were more important than their sex.

He added that it might be desirable for a woman officer to be present during an interview if the complainant wished it.

Dr Shirley Summerskill, for the Opposition (Hillingdon, Lab): The most important qualifications for interviewing the victim of alleged rape are special training, tact, sympathy and understanding, which are found equally among men and women police officers.

All police officers, men and women, must continue to be given equal access to every type of work experience and to training and promotion prospects for work under the Sex Discrimination Act.

Mr Raison: The Heilbrunn inquiry concluded that women police officers were able to make their own decisions about the deployment of their officers.

Entry refused to only a few visitors

Genuine visitors to Britain were being turned away almost every day of the week, Mr Roy Hattersley, Opposition spokesman on home affairs, said today.

Since the Immigration Act 1971, Indian families, this was a gross form of discrimination.

Mr Raison: The Minister of State, Home Office, said today that the Immigration Act 1971 was satisfied with the procedures under which close relatives of people of foreign extraction now have to be interviewed.

Mr Hattersley: The Immigration Act 1971 was a gross form of discrimination. It was not even true that the criteria took account of self-sufficiency in the new districts.

Some had been created in such a way that they were far larger than the target areas, and in general there should be four local authorities in each district health authority. Arrangements had been made for a small number of additional places to cover special needs.

Mrs Gwyneth Dunwoody, Opposition spokeswoman on health, said today that she would find herself in such small district health authorities, they would find it even harder to get a clear overall Government strategy on improving and extending the NHS. Thirty years after its inception the imbalance between different areas of the service and regions of the country had not been redressed.

The Government had taken a large step into the dark and were not aware of what would meet them in the future. Just as the previous Government carried out a series of reorganisations, so the Conservative Government was admitted to be at the very best inadequate and at worst inadequate and at worst inadequate.

Mr Raison: The Minister of State, Home Office, said today that the Immigration Act 1971 was satisfied with the procedures under which close relatives of people of foreign extraction now have to be interviewed.

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Next week's business

The main business in the House of Commons next week will be:

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House of Lords will be: Monday: Legal Aid Bill and Marriage (Prohibited Degrees) Bill, second readings; Tuesday: Mental Health (Amendment) Bill, report stage, second day.

Canada Bill

The Canada Bill was read a second time last night by 354 votes to 254. Government majority, 250.

Mr Jonathan Aitken (Thanet, East, C) said that as someone whose father, grandfather and great-grandfather were Canadian, he was pleased that the House was to get its constitution.

Mr Clinton Davis, an Opposition spokesman of foreign and Commonwealth Affairs, (Hackney, Central, Lab) said although the Opposition was recommending amendment to the Bill, it was not recommending the Bill with misgivings and qualifications.

Mr Richard Luce, Minister of State for Foreign and Commonwealth Affairs, said they must consider that the Federal Parliament passed this resolution by a majority of 151 in the House of Commons - 246 to 24.

The vast majority of the Quebec MPs in the Federal Parliament 72 out of 75 voted in support of the resolution which was passed through the House of Commons.

The Chief Constable has stated that further investigations are being pursued vigorously, that it is the duty of any person who has evidence or information about any relevant matter indicating a crime to come forward immediately and assist the police in the investigation. He has also announced that he has requested HM Chief Inspector of Constabulary to appoint a sub-committee of another force to investigate allegations about the way in which the police have treated the constables.

Mr Dennis Cockshead, Opposition spokesman on Northern Ireland (Mansfield, Lab): We agree that only a judicial inquiry can now sort out this serious episode. Our only reservations are for the protection of the innocent who are now older and have wives and families of their own. If they could give evidence with complete anonymity we would be pleased.

Mr Prior: If these innocent people have any allegations or information they should give it to

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Greet the Pope with open hearts, Runcie tells synod

By Clifford Longley Religious Affairs Correspondent

The Archbishop of Canterbury, Dr Robert Runcie, yesterday called upon the Church of England to welcome the Pope to Britain in May, to be optimistic about the prospects for unity with the Roman Catholic Church, and not to give way to prejudice and insularity.

The archbishop's presidential address to the General Synod set out to answer some of the fears and criticisms aroused by the prospect of the papal visit. He described the Pope's acceptance of his invitation to take part in a service in Canterbury Cathedral as "unprecedented in the history of the church in the West".

He also offered his support for the recent establishment of full diplomatic relations with the Holy See as a symbolic gesture of reconciliation helping to "heal the wounds opened up in the sixteenth century".

Dr Runcie dealt with a series of questions, some of which reflected the anxieties to which he referred.

In addition to the predictable howls of "No Popery", he said, he had met many fair-minded people with reasonable qualms about the visit. In particular, he noticed some anxiety which has been generated by the recent change in the level of diplomatic relations between this country and the Holy See.

The Foreign Office had kept him informed of the progress of the matter but had not been obliged to seek his agreement for the change, so there was no possibility of the General Synod discussing it in advance.

The anxieties on the matter were an expression of deeper suspicions, that the real differences between the two churches were being "fudged". He added: "But I am convinced that we must not allow ourselves to be-

come imprisoned in antique feuds. It is not the Christian way to be frivolous about questions of truth, but it is certainly not the Christian way to greet a great Christian leader with a mind full of suspicious negativity and hostility." The Pope should be welcomed on a human level.

Dr Runcie said that when he had met the Pope in Africa he had been astonished by the depth and spiritual quality of his listening.

"We all know him to be a person of quick sympathy and deep affection. These qualities are part of his equipment as a very powerful world Christian evangelist. We welcome a great teacher of the Christian faith and life, as a global focus for loyalty, who is potentially a focus of unity."

Anglicans must learn to think of themselves as world citizens, members of a world community which had to cope with its problems together, he said.

The accent during the Pope's Canterbury visit would be on the "faith that unites us", and he included in that the Free churches.

The General Synod would be invited to Canterbury Cathedral for the service as would members of the Free Church Federal Council, which numbers more than 100. Free church leaders would have a prominent part to play in the service, and would also take part in a discussion with the Pope, followed by an informal lunch. The Pope would be present from mid-morning to mid-afternoon.

Dr Runcie insisted that the Anglican Communion should be consistent with the principles of its foundation, in particular that it should check that it was proceeding in reliance upon Scripture.

Tomark that, the visit was

also an international occasion and Anglican primates from overseas would be at Canterbury to greet the Pope.

In the course of the Canterbury service, the Pope would lead a representative group to pray at the Cathedral's Chapel of the Twentieth Century Martyrs, commemorating such figures as Martin Luther King, Archbishop Romero of Salvador, and Maximilian Kolbe, the Polish martyr of Auschwitz. That would symbolize the power of the Christian faith to evoke the deepest personal sacrifice.

Dr Runcie stated that the last report of the international theological commission of the two churches would be published next month. "A report on such a contentious area could not fail to be controversial", it is understood to deal with papal infallibility and papal jurisdiction — "but I believe the commission has made real progress in clarifying and reconciling the two traditions", he said.

A successor commission would have to examine the status of Anglican holy orders in the eyes of the Roman Catholic Church, but he did not indicate that he expected that matter to be advanced during the Pope's visit.

"I believe, however, that it is more realistic to expect that the Pope's visit will deepen the atmosphere of mutual trust and respect. It would be premature to expect final resolution of the differences between us, but it would be disastrous at this stage to suggest that the pace and urgency of the desire to find solutions were flagging."

The Pope's willingness to attend the service at Canterbury "has already made a contribution to the seriousness and urgency of our search for unity".



The Archbishop of Canterbury, watched by Mr Derek Pattinson, secretary-general of the General Synod, voicing optimism on unity prospects in his address yesterday.

Benefit appeal disparity

By Frances Gibb

An disparity between the length of time Social Security Commissioners take to handle appeals from claimants and appeals from benefit officers is shown in a survey published by the Child Poverty Action Group today.

The group calls on the Lord Chancellor to investigate why the applications for leave to appeal on points of law take months to be dealt with if they are from claimants, yet weeks if from benefit officers.

The findings of a survey the group has conducted on supplementary benefit cases it has advised on since November, 1980 "give rise to serious concern about the long delays experienced by claimants and their represen-

tatives in obtaining a hearing before the commissioners."

Of the 31 cases dealt with since November 1980, 27 were appeals by claimants, of which only three have so far been heard by the commissioner, it says. The remainder are still awaiting leave to appeal. The other four, which were benefit officer appeals, have all been heard.

The average waiting time for leave to appeal in 15 cases taken up by the group up to September 1981 was six.

Six-and-a-half months, it says. Eleven of those 15 are still awaiting leave to appeal. But in the cases taken by the benefit officer, leave to appeal was granted in three cases in two-and-a-half weeks.

Rape complaints not believed, group says

From Our Correspondent Manchester

Almost half the women who complain of being raped in Greater Manchester are initially disbelieved by the police, Manchester Rape Crisis Line claims in a report issued yesterday.

Many of the women were called liars, the charity said, and some had been insulted and abused and called "slags" or promiscuous. Young women had a particularly difficult time. If accompanied by their parents they were sometimes told that their parents did not believe them, or the parents were told that the girl had admitted to lying.

"Women were sometimes questioned for up to 10 hours", the report said "in several cases they were so upset by the lengthy, harsh questioning and disbelief that they gave up and withdrew their complaint".

The charity which was set up in March, 1980, complains that treatment varied between police stations and with individual officers. Although some women said they had been treated reasonably, the organization is concerned that police officers are often insufficiently informed and ill prepared to deal with women who have been raped.

The charity does not take up individual complaints about police behaviour because it wishes to preserve the anonymity of the women who telephone for help. In 95 cases investigated 12 found that only 47 had complained to the police. Of those, almost half the cases were not taken to court. More than a quarter were not investigated by the police or the women were pressed to drop charges, it claims.

The charity wants every woman who has been raped to be examined by a woman doctor. Mr James Anderton, Chief Constable of Greater Manchester, told the county police committee this month that women doctors were available but admitted that the choice may not normally be given to raped women.

Mr Anderton said in a

statement yesterday there has been no record of any complaint on behalf of a raped woman or girl from the Manchester Rape Crisis Line, and neither had a victim who may have consulted the crisis line objected to the manner in which police had handled their problems.

The Manchester Rape Crisis Centre have never notified me of any dissatisfaction or misgivings over police action, or procedures for investigating allegations of rape," he said.

"Perhaps they will now be good enough to provide me with more details so that further police inquiries can be made." A copy of the report is being sent to him.

The charity said the police attitude "often leaves much to be desired". It wants better training for police officers. "A lot of training is done in police stations and traditional attitudes are passed on by long serving officers", said a spokeswoman.

"One of the main myths is that harsh questioning is necessary because there are a lot of false rape allegations. There is no evidence for that belief."

The charity is also unhappy about the legal definition of rape and added: "We also feel that to exclude rape within marriage is quite unjustified."

The statistics in the crisis line's first 18 months showed that only 28 per cent of rapists were strangers to their victims. Almost half were an acquaintance and 10 per cent were husbands or lovers.

□ A prisoner serving a life sentence for rape attacked a young woman after being allowed out for the day on a pre-release scheme (our Maidstone Correspondent writes). He dragged her into bushes at Mote Park, Maidstone, but she fought him off and escaped. At Maidstone Crown Court yesterday Ivor Jones, aged 31, admitted attempting to strangle the woman with intent to rape.

NEWS IN SUMMARY

Man died while up a tree

A man who went woodcutting to provide fuel for his sister and her children found the winter was later found dead in a tree.

Graham Griggs, aged 24, of Leewood Place, Swanley, was found on a branch eight ft from the ground in Bourne woods, Brook Road, Swanley, police constable Bill Riley, the coroner's officer, said at an inquest in Croydon yesterday. It had been Mr Griggs's third trip to the woods that day.

The wall separating his two heart chambers had ruptured causing instant death, a pathologist, Dr Nigel Harcourt-Webster said. Mr Griggs had 270m of alcohol in every 100m of blood. A verdict of death by natural causes was given.

Dog owner on death charge

Mrs Olive Brown, aged 53, of Larnar Road, Erith, Kent, was remanded on bail by Bexley magistrates yesterday accused of the manslaughter of a woman aged 72, who died from a heart attack after being bitten by two Doberman Pinschers. She was remanded until May 18.

The charge alleges that last February Mrs Brown "knowing she was in control of two vicious dogs allowed them to attack the victim, Mrs Dorothy Gladys Dux, who died in hospital two days later."

£10,000 robbery

Five masked men who made a daylight raid on a sub-post office in Bedford Road, Booter, yesterday, escaped with £10,000 in cash.

Murder charge

Howard Chamberlain, aged 33, was remanded in custody for a week by magistrates in Nottingham yesterday accused of murdering his wife, Susan, aged 34.

Move to end sharp, shock regime fails

By Amanda Haigh Parliamentary Staff

About 7 per cent of young offenders sentenced to the Government's "short, sharp shock" pilot scheme had to be transferred to other detention centres because they were found to be mentally or physically unfit to undergo the regime, Mr Patrick Mayhew, Minister of State at the Home Office, announced yesterday during the committee stage of the Criminal Justice Bill.

He refused to accept an Opposition amendment to the Bill, which sought to abolish borstal training and provide for custodial sentences of between three weeks and four months in detention centres for male offenders aged between 14 and 21. The amendment would have required courts to obtain and consider reports on the physical and mental condition of the youths before sentencing them to the detention centres.

The amendment was rejected by 12 votes to 6, the Social Democratic Party voting with the Opposition.

Mr Robert Kilroy-Silk, Ormskirk, who had moved the amendment, said that in the two years since the short, sharp shock regime had been on operation, 81 of the boys at New Hall, Wakefield, West Yorkshire, and 107 at Sand, Surrey, had been found by the medical officer at those detention centres to have been sentenced inappropriately by the courts.

Mr Mayhew told him that was not a high proportion of cases. About 7 per cent of boys at the four such centres in operation had had to be transferred.

Dr Shirley Summerskill, for the Opposition, said that the conditions and regime in detention centres were such that they could be detrimental to some boys and were a possible threat to the mental and physical well-being of an offender.

The Opposition was against detention centres for any age and for either sex. They were no more suitable and appropriate for boys than they were unsuitable and inappropriate for girls.

Mr Mayhew said that the rate of reconviction from detention centres after two years was depressingly high.

Officers' lives 'in danger'

□ A warning on the dangers to life and limb of officers and prisoners at Strangeways jail, Manchester, was issued yesterday by Mrs Edna Redfern, chairman of the board of visitors (John Chatter writes from Manchester).

Mrs Redfern said that the board, looking back on 1981, could only view with alarm and despondency the falling standards in the prison service.

Her statement drew attention to the overcrowded conditions at Strangeways, a typical Victorian jail designed for about 1,000 prisoners and now housing more than 1,600.

That meant that the men were locked up for 23 hours a day and young people were being reclassified that they could be put in the main prison.

College cooperative

A Renaissance dream in the East End

By Caroline Moorehead

Late on Wednesday night, after several weeks of hard campaigning, Mr Michael Murray, silversmith and a moving force in the small business crafts world, finally won his battle to convince the council in Hackney, east London, to let him turn a disused hospital into craft workshops. The Metropolitan Hospital in the Enfield Road, empty for more than four years, is to become a college of 250 craftsmen, a Renaissance guild of the 1980's.

The idea of setting up a place where craftsmen live and work is one that has been simmering in Mr Murray's mind since he formed



Michael Murray: Tough campaigning

his first cooperative of seven workshops in the East End of London 25 years ago.

His search coincided with a realization by Hackney council that it could not afford to turn the Metropolitan Hospital into the new housing it had been planning. Hackney council asked Mr Murray, by then an old friend, for advice.

This week, final details of the lease, a commercial 25 year lease from the council, are being settled.

The financing of the Metropolitan College of Craftsmen will essentially be that of his past cooperatives. Only the scale is different. The Department of Industry looks likely to act as guarantor for a loan of £70,000 raised from Lloyds Bank; the Greater London Council will probably put up a grant to pay the interest.

By the end of this year two floors should be in operation, the £70,000 having gone towards rewiring, installing a new heating system, and carrying out basic repairs.

A quarter of the 250 workshops have been taken, a performing arts cooperative, which is to take a section for rehearsal rooms, has been formed, and furriers, leather workers, fashion designers, joiners and photographers are expressing interest. (The Turkish Islamic Trust is considering taking the old mortuary.)

20 NATIONS IN TALL SHIP RACE

By Ronald Faux

Tall ships of the world will unite this year in Southampton, the finishing line for the latest in the biennial races between these elegant vessels. The port will be host between August 18 and 25 to more than 80 square rigged, schooners, and lesser vessels from 20 nations.

Announcing details of the event, the organizers said that more than 2,000 trainees would take part in the crews of the various ships. The tall ships will set out from Falmouth on July 25 on the first race of the series to Lisbon, in Portugal the fleet will meet the transatlantic tall ships that will have raced across from Newport. The combined fleet will then sail for Southampton.

Among the larger vessels expected to take part in the races, sponsored by Cuny Sark, is the 3,000-ton Russian Fisheries Board barque Krusenstern that has competed in the race since 1974. It is hoped that the Polish merchant navy's recently launched square rigger, Dar Miskizy, will take part in her first world event.

Other square riggers expected to take part are the Gorch Fock, and the Portuguese barque, Sagres.

These aristocrats of the sea will be supported by many schooners, including the Sail Training Association's Sir Winston Churchill, crewed by boys, and the Malcolm Miller, crewed by girls.

'HIGH LIFE' QUESTIONS FOR STERN

William Stern, the former property tycoon who went bankrupt in 1978 with debts of £118m, is to be questioned by creditors about his lifestyle.

Mr Stern's application to be discharged from bankruptcy after offering to pay his creditors £55,000 over three years was described in the Court of Appeal yesterday as "unimpressive".

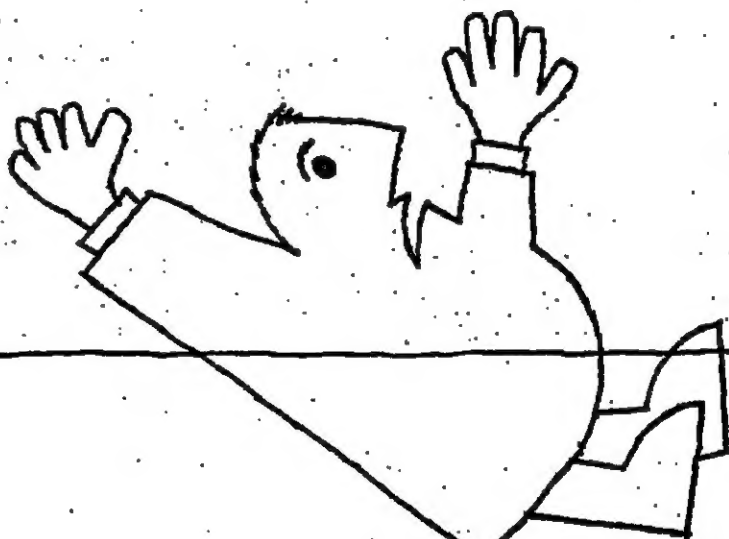
The court ruled that the application should be continued before a High Court Judge for Mr Stern to be cross-examined by creditors.

Lord Justice Templeman said: "The amassing of these colossal debts calls for some less specious explanation than that so far provided." It was unjust that the creditors should not have been allowed to put to the bankrupt allegations of "rash and hazardous speculation".

The court allowed an appeal against the refusal of the London Bankruptcy Court to allow cross-examination.

Mr Stern, aged 48, now a property consultant, had lived "a Rolls-Royce existence". In 1980, he earned £22,000 and received a gift of £12,000 from a family trust. His £5,000 mortgage payments on his home in Golders Green, North-west London, said to be worth £1m, were also paid by the trust.

Mr Stern was ordered to pay the costs of both the Court of Appeal and Bankruptcy Court hearings. Leave of appeal to the House of Lords was refused.



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The earnings reports of many companies are experiencing a widespread outbreak of parentheses. (We mean those depressing bow-legged punctuations that signify operating losses in balance sheets.)

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Crisis in Zimbabwe

Mugabe youths demand 'Shoot Nkomo'

From Stephen Taylor, Salisbury, Feb 18

Police and army units maintained tight security control over Zimbabwe's main cities today but there was no immediate sign of a backlash against the dismissal of Mr Joshua Nkomo from the Government.

Up to 5,000 demonstrators jogged through the streets of Salisbury this morning chanting and carrying placards calling for Mr Nkomo's imprisonment.

Roadblocks monitored traffic around the capital and Mr Nkomo's political stronghold, Bulawayo, which was reported by sources in the city to be peaceful and subdued. Army reinforcements are believed to have been moved into the Bulawayo area.

The Zimbabwe Information Service — an arm of the Ministry of Information — put out a report that in Marandellas, a town east of here, a full-size black coffin had been paraded by demonstrators "to signify the death of Mr Nkomo". The report also said a youth wing of the ruling Zanu (PF) party had called for the war leader "to be executed by firing squad".

Investigations are meanwhile continuing into the possibility of charging Mr Nkomo and other senior members of his party with possessing weapons of war, after the discovery of big arms caches on Patriotic Front farms. Mr Mugabe said yesterday that the dismissals were only political action and that criminal proceedings might be brought against those responsible for the caches.

The dismissals effectively scrapped the coalition between the forces of Mr Nkomo and Mr Mugabe, forged at independence in April 1980. It also raised the prospect of disaffection among Mr Nkomo's Ndebele supporters who constitute about 18 per cent of the population, and even of further faction fighting

which has claimed more than 400 lives since independence. Four leading members of the Government — two ministers and two deputy ministers, survived the purge of those alleged by Mr Mugabe to have been involved in a conspiracy.

Mr Cephas Mape, the Deputy Minister of Manpower, made it known today that he would be staying in the Government. The other three have not revealed their intentions but at least one minister is thought likely to heed Mr Nkomo's call to quit the Cabinet.

The statements and the street demonstrations appeared to be part of a continuing campaign against Mr Nkomo. The *Herald* newspaper in Salisbury gave no coverage today to Mr Nkomo's expressed hope for continued peace. Nor did it publish his rejection of Mr Mugabe's allegation that he had sought South African assistance for a coup at independence. Mr Nkomo dismissed this allegation as "lies".

The newspaper did, however, carry a statement by Mr Dumiso Dabengwa, the former supreme commander of Mr Nkomo's Zupri force. Mr Nkomo and other senior members of his party were mentioned by government sources in connexion with the caches, said that the weapons had been concealed, not to launch a coup, but "to Zupri cadres for their own protection".

He said that the trust between the Nkomo and Mugabe forces, built up at Lancaster House, had broken down soon afterwards. The dismissal of Mr Nkomo, culminating in the disarming exercises when the arms were cached.

Mr Nkomo was understood to have remained in Salisbury after the Cabinet met for the first time without him. Callers at his Highfields home were told he was "away at present".

News analysis

Deep-rooted conflict split two leaders

From Our Correspondent, Salisbury, Feb 18

The dismissal of Mr Joshua Nkomo from Zimbabwe's coalition Government marks a watershed in the country's short history and the end of a long-uneasy alliance between two ill-suited political partners.

Mr Nkomo, the burly father figure of the nationalist movement in Zimbabwe, always looked incongruous alongside Mr Robert Mugabe, the ascetic Marxist who was catapulted to international prominence and unquestioned leadership of the country by the independence elections.

Mr Nkomo was the old-style union official who made it to the top of the political pile through magnetism and muscle. Mr Mugabe was the intellectual who emerged at the end of a power struggle, which was crippling his party, and imposed a sense of resolution and discipline which enabled it to win the 1980 election by a landslide.

If the time has come to write Mr Nkomo's political epitaph, it may be that of the three black leaders who emerged from the Federation of Rhodesia and Nyasaland in 1965, Mr Mugabe was the only one never to lead his country. President Kaunda of Zambia and President Banda of Malawi were his contemporaries and comrades.

The arms drive which led to his ignominious dismissal this week were clearly an incendiary issue in a country so recently at war but the falling out with Mr Mugabe goes deeper.

The two men have been on opposite political sides for most of their lives. In addition to basic personality differences, the relationship was marked by the nature of their political support — Mr Mugabe drawing allegiance from the Shona-speaking tribes of the east and Mr Nkomo getting his support from their arch-rivals, the Ndebele of the west.

Although both Mr Nkomo and Mr Mugabe had joined forces under the Patriotic Front umbrella long before the Lancaster House talks, it was evident during the negotiations that Mr Nkomo was much more willing to compromise than Mr Mugabe. Whenever the 101 days of talks looked as though they were about to collapse, it was invariably because Mr Mugabe was digging in his heels.

At the time it was generally assumed that Mr Nkomo and his supporters would win the elections which finally paved the way to independence and majority rule. In the event it came as a deep shock to a man who regarded himself as one of the founding fathers of the nationalist movement in Africa to be trounced at the polls.

In the light of the traditional suspicion between the groups — and in spite of the clear mandate of the elections — Mr Mugabe's subsequent actions were both magnanimous and politically astute. Mr Nkomo and the Patriotic Front were offered a place in a government of national unity at the same time as Mr Mugabe was extending the hand of reconciliation and friendship to his erstwhile enemies, the whites.

It was amid these events that Zimbabwe was born in an atmosphere of heady optimism which, while never obscuring the underlying enmities, made real for the first time the possibility of a peaceful transfer of power.

That short-lived era of national unity appears to be over.

The alliance could not conceal what were essentially tribal and regional tensions. In the months after independence, Patriotic Front supporters came to believe that Mr Nkomo was being denied his share of the limelight.



News in Pictures: Manuel Barriopedro won first prize in the 1982 World Press Photo Contest with this photograph of Lieutenant Colonel Antonio Tejero on the podium of the Spanish Parliament during his abortive coup attempt last February.

13 crew missing in Cape collision

From Michael Hornsby, Johannesburg, Feb 18

Thirteen of the 190 crew members of the President Kruger, a 2,250-ton South African naval frigate which sank after a pre-dawn collision today, 80 nautical miles south of Cape Point, were still missing tonight after an all-day air and sea rescue operation.

Vice-Admiral Ronald Edwards, the Chief of the Navy, described the accident, which occurred in heavy seas and high winds, as "very sad". He said: "We will continue to search for the missing people until there is no further object in looking for them".

Of the 177 crew who had been rescued, two were reported to have been flown to hospital by helicopter. One had swallowed large amounts of sea water and diesel oil, and the other was suffering from lacerations, exhaustion and shock.

The doomed frigate collided at 4.22am with a fleet replenishment tanker, the 13,000-ton Tafelberg, and sank just over an hour later. Both ships had been taking part in night manoeuvres. The Tafelberg was able to limp home.



The doomed frigate Kruger in a pre-dawn collision.

The President Kruger was one of three Type 12 frigates bought from Britain under the terms of the Simonstown agreement before it was terminated in the mid-1970s.

The ship was built in the Yarrow yard on the Clyde and launched in 1960. Originally intended for the Royal Navy, it was later sold to the South Africans to help protect the Cape sea route against submarine attack.

With the ending of the Simonstown agreement, however, and the imposition of an embargo on sales of arms to South Africa, the role of the Navy has been largely reduced to inshore patrolling and harbour protection. The Navy has fewer than 5,000 men and only a score or so of vessels.

Describing the accident, Vice-Admiral Edwards said the commander of the frigate realised about 15 minutes after the collision that the hull of his ship was so severely damaged that it could no longer stay afloat and he then gave the order to abandon ship.

Forces cut proposal by Russia

By David Cross

The Soviet Union and its Warsaw Pact allies yesterday submitted what they said was "a new, important initiative" at the long-running and stalled East-West talks to reduce armed forces in central Europe.

The initiative, tabled in Vienna where the so-called Mutual Balanced Forces Reductions talks have been in progress since 1973, was described as a "comprehensive document containing all necessary components of an accord which makes it possible to start practical reduction of the level of military confrontation in the centre of the European continent".

The Soviet News agency Tass also claimed that the draft agreement balanced carefully the security interests of all the states taking part in the Vienna talks: "socialist and capitalist, big and small, direct participants and countries having a special status at the talks".

The document for initial cuts in Soviet and American troops stationed in Europe by 20,000 and 13,000 men respectively. This first step would eventually lead to a reduced total of 900,000 men on each side of the East-West border.

A Warsaw Pact spokesman in Vienna said that the draft had taken into account the views of both sides and included all points where an accord had been reached.

Doubts on Soviet Ship cargo

From John Best

Mystery surrounded the sinking of a Soviet cargo ship in a North Atlantic storm on Tuesday with the loss of all but five of its 38 crew.

Mr Joe Clark, the Conservative Opposition leader, told reporters yesterday that the strange behaviour of the crew of the 4,200-tonne Mekhanik Tarasov "raises questions" about its cargo.

The crew, led by the captain, waved away a Danish trawler which was in the vicinity about 250 miles east of Newfoundland and which could have made a rescue attempt. Instead they desperately clung to the doomed ship, awaiting a Soviet fish-factory ship which arrived too late.

Earlier, Mr John Roberts, told the Commons that 12 containers of uranium hexafluoride which were to have been shipped to Russia from Canada on board the Mekhanik Tarasov had been sent on board another Soviet vessel.

When it went down, the Mekhanik Tarasov was about 75 miles east of where the Mobil Canada oil rig, Ocean Ranger sank early on Monday with the loss of all 84 men on board.

The Defence Department's rescue coordination centre in Halifax today denied a report that the Mekhanik Tarasov was on its way to help the crew of the Ocean Ranger. It was in fact sailing in the opposite direction.

The coup that failed

Spanish Army in the dock

From Richard Wigg, Madrid, Feb 18

Spain's armed forces have no tradition of obedience to the Government. If the court martial beginning tomorrow in Madrid of three Army generals and 29 other officers, all charged with conspiracy to overthrow the Government last February, ends with heavy sentences for the principal figures, a page of Spanish history will have been turned.

The seizure of Parliament in session at gunpoint by Lieutenant-Colonel Antonio Tejero in his three-cornered black hat, and accompanied by nearly 300 Civil Guards, was caught live by Spain's state television cameras, and subsequently went round the world.

The verdict, and the sentences of those allegedly involved behind the scenes of the coup plot, such as Lieutenant-Generals Jaime Milans del Bosch and Alfonso Armada Comyn, will represent the judgment of 17 brother generals, trying them on the role of the armed forces in contemporary society.

The court martial could start a constitutionalist tradition for Spain's armed forces, as they prepare for Nato. Or it could be a justification for that intervention in politics summed up by the Spanish word *golpismo* ("coupism") by putting democracy itself on trial.

Older generations of Spaniards who lived under Franco tend to accept the pretensions of the military. The trial, especially after sentencing, will test the courage of the younger, more democratic generation in standing up for the constitution, through the force of public opinion.

Franco modelled his Army on the victorious side in the civil war which has overthrown the Republic, making

it the backbone of his authoritarian system. All the officers on trial for military rebellion, and those on the Supreme Council of Military Justice trying them, spent at least part of their careers serving him.

Until the coup attempt, the armed forces had accepted somewhat ambiguously the transition to a parliamentary democracy.

The Government of Señor Leopoldo Calvo Sotelo, voted into office in the turmoil of the coup aftermath, decided that the bulk of the Army, which had stayed loyal to King Juan Carlos, their Commander-in-Chief, during the night of February 23, should try the *golpistas*. Only if the sentences involve more than three years' imprisonment will disobedience to the civilian government come before Spain's civilian Supreme Court on appeal.

The military prosecutor has demanded 30 years each, the maximum for the coup, for the generals and for Colonel Tejero.

There was much debate inside the army in the months leading up to the trial. A minority of hard-core right-wingers has been loudly hailing as martyrs figures like General Milans, the Captain-General of Valencia who declared martial law on February 23, and put his tanks on the streets. Similarly Colonel Tejero has been turned into a cult figure by extremist circles.

A majority of the officer corps, described by a leading pro-Government general as "the silent majority, unwilling to be manipulated", remains uneasy about democracy and the break-up of traditional social values, but believes in unity, discipline and obedience to the service hierarchy. On the night of the coup they were against the general declared swiftly for

the King, expressing the commanders' anguish for unity — or, more bluntly, to be once again on the winning side.

Brother officers from all the military regions will be present as observers at the trial, and the conduct of General Milans, a skilled and admired commander from a well-connected family, could be decisive. If found guilty, he risks dismissal from the Army, and could become a dangerous rallying point.

More explosive, however, will be the expected attempt by the defence to invoke the King as a supposed ally of the conspirators. In his New Year address to the armed forces, King Juan Carlos, whose conduct on the night of the coup was decisive, described as "calumnious" extreme right-wing campaigns to involve him in a coup against democracy. He expressed his confidence that the trial would reveal the truth.

Unfortunately, the king lacks in critical times the aristocracy's clear support. Señor Alberto Oliart, the Defence Minister, has sent 75,000 copies of the address to unit commanders, urging them to abide by the trial verdict.

Worries about the Government's failure to bring to trial more than one civilian, Señor Juan García, a former Franco trade union boss is well-known but hardly an important figure — have been confirmed by the prosecutor's final charges, handed to the defence last week. This failure helps the extreme right to contend that "the Army is on trial". Constitutionalists, officers have legitimately complained that some influential civilians have been permitted to remain in the shadows of the trial.

Leading article, page 11

NEWS IN SUMMARY

Greeks call Kyprianou to Athens

Athens. — Mr Andreas Papandreu, the Greek Prime Minister, asked President Kyprianou of Cyprus to come to Athens urgently (Mario Modiano writes). The reason was not disclosed. Mr Kyprianou said he would fly to Athens first thing this morning.

An official press release later disclosed that information about probable developments in the Cyprus issue, had made necessary an urgent meeting of the two men. Their talks would continue until tomorrow.

What adds to the mystery is that President Kyprianou spent a week in Athens until January 28 after comprehensive talks here and Mr Papandreu himself is due to visit Cyprus at the end of this month. Originally, the Greek Prime Minister was going to Cyprus at the beginning of this month but his trip was put back, according to press speculation for fear of some Turkish-Cypriot reaction, such as a declaration of an independent state in northern Cyprus.

Australian doubt on carrier sale

Reports of a further delay over an Australian Government decision to buy the British aircraft carrier HMS *Invincible* have been greeted with stoicism in Whitehall (Henry Stanhope writes).

The fresh delay has been caused by scepticism among Australian backbenchers who are querying the need to buy *Invincible* — offered at what Britain considers a bargain £175m.

Stiff upper lip for Turks

Ankara. — The Turkish Government has ordered all male state employees to shave daily and not to grow beards or drooping moustaches, and it told women workers to keep their hair neatly combed and wear stockings, but never short or slit skirts.

The regulations appeared to reflect the military regime's desire not only for discipline but to eradicate political or religious symbols associated with hairstyles or dress.

Soviet denial on germs

Madrid. — The Soviet Union in a note distributed at the European Security Review Conference, denied it ever used chemical weapons "anywhere under any circumstances or by any means" (Richard Wigg writes). American charges that it is using chemical and bacteriological weapons in central and South-east Asia were dismissed as "a monstrous accusation, false from beginning to end".

Oilmen kidnapped in Lebanon

Sidon. — Two oil company executives, one of them an American named as Thomas Anderson, deputy director of the petroleum distribution company Medco, were abducted by gunmen while on their way to an oil refinery near this south Lebanese port.

Kidnapped with him was Chahab Ali Ahmad. Company officials said the refinery was closed in protest and the workers sent home. The police had no idea who the kidnappers were.

Cautious optimism in Rome

Italian terrorist strikes are falling off

From Peter Nichols, Rome, Feb 18

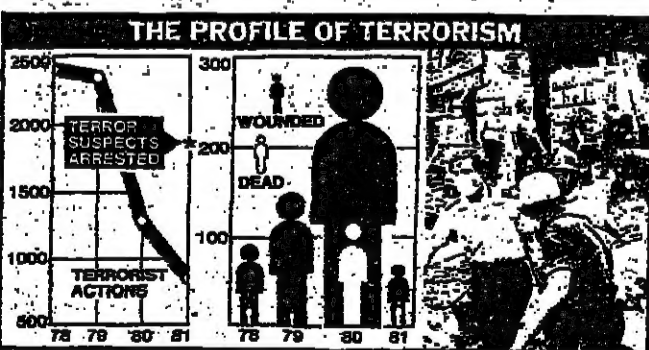
The number of terrorists and suspected terrorists held in Italian prisons is now 1,869. Another 310 are being hunted.

Some 239 were arrested between December 17 and February 15 when 51 terrorists based throughout the country were discovered including the Padua flat in which the Red Brigades were holding Brigadier-General James Dozier, Deputy Chief of Staff at the Verona Nato base. He was the first non-Italian victim of the terrorists.

This extraordinary success at the turn of the year helped to concentrate attention on the real prospects of reducing terrorism which the Government still approaches with caution, despite the statistics giving some grounds for optimism.

Figures compiled by the Ministry of the Interior show that the number of terrorist actions each year has been falling since 1979. In that year there were 2,366 incidents compared to 2,395 in the preceding year. In 1980 the drop was sharper, to 1,264. The 1981 total was 849.

The number of dead and wounded reflect a different picture: In 1978 there were 25 dead and 99 hurt. In 1979 the figures were 22 and 149 respectively but 1980 shows a huge increase — 120 dead and 288 injured most of



whom were victims of the bombing of Bologna railway station which killed 80 people. Last year's total was 25 dead and 70 injured.

The Bologna bombing is generally regarded as the classic case of terrorism committed by the extreme right which is seen to be indiscriminate in its terrorist activities, seeking simply to cause the deepest amount of shock with the greatest amount of death and destruction.

The far left is seen to be more likely to make its effect by destroying chosen targets. Of the terrorists held in prison at the turn of the year, 410 claimed to be from the extreme right as opposed to 1,220 from the extreme left.

The distinction is not always easy to make and is becoming less so. In some cases, the investigators can

only accept the prisoner's own description of his allegiance. Last year, 113 different terrorist organisations claimed responsibility for 229 of the 849 terrorist actions. Of the 113 groups some 91 were seen as belonging to the extreme left and most of the rest to the extreme right.

The Red Brigades were, however, well ahead of any other organisation with 61 actions including many of the most important ones, but their commanding position has been weakened by internal differences, less toughness and a growing readiness to give evidence instead of claiming simply to be prisoners of war.

The Red Brigades claim the largest share of kidnappings marked by political aims. They started the series in 1973 by seizing Signor Italo Meschini, an executive of the Siemens company in

Milan. There have been 23 political kidnappings and the Red Brigades organized 16 of them.

Their activities have included the kidnapping of victims from Signor Aldo Moro, the Christian Democratic former Prime Minister who was kidnapped in March 1978 and later murdered, to General Dozier, who was seized in his Verona flat on December 17.

The latest victims in this series of kidnappings point to a paradox in Italian terrorism: the terrorists show sensitivity to public opinion in their choice of victim but an inability to transform this sensitivity into behaviour which would have a real effect on the thinking of the ordinary Italians.

They kidnapped Signor Ciriaco De Mita, a Christian Democratic politician from the Naples area, in April 1981, with the apparent aim of exploiting the widespread discontent with the way in which the Government handled aid after the great earthquake in the south. In May 1981, they kidnapped and murdered Signor Giuseppe Tagliacozzo, a Montedison executive, following up a month later with the kidnapping of Signor Renzo Scajola, of Alfa Romeo — both actions presumably intended to impress factory workers.

Their next victim, Signor Roberto Peci, was the brother of an accused terrorist.

Warsaw leaders caught on hop by swoop report

From Roger Boyes, Warsaw, Feb 13

The Polish authorities were baffled today by the sharp Western response to a report of a routine police swoop that was originally intended to do little more than remind the population of the need for curfew laws and give the increasingly bored troops a renewed sense of purpose.

As news filtered through of the United States State Department's disapproval and the angry response of Western delegates at the Madrid conference on European security, Polish officials began to call in journalists (a rare occurrence) to find out what the fuss was about.

The problem is the result of a two-day operation at the end of last week code-named "tranquility" which coincided with a general show of military and police force in the capital.

The immediate aim was to remind the people of the strength of the security units in case any protest was planned on February 13 to mark the two months of martial law.

According to a PAP news agency report, the checking of 51,000 shops, 60,000 vehicles and 3,500 "criminal haunts" (a somewhat vague category), demonstrated "that the observance of martial law regulations is not as good as it might be".

There were 145,000 infringements, 99,000 of which had their identity checked and were "cautioned" while another 29,000 were "reminded of their duties". In the latter category was The Times correspondent who had forgotten one of the three documents that journalists are supposed to carry with them.

The real Western concern, one Polish official told me, having listened to Radio Free Europe the previous evening, was a figure of 3,500 "detentions" published by PAP.

In fact these people were held for a matter of hours, the majority of them for traffic offences. The International Television News correspondent, Mr John Underwood, for example, was taken to a militia station after driving the wrong way down a one-way street and freed soon afterwards.

Some 4,000 cases have been referred to minor offences courts (such as being insolent to a policeman or having faulty brakes), 614 of which involved a direct infringement of martial law. This figure, officials say, refers largely to curfew violations or the sale of alcohol. They concede, however, that another figure — 252 people suspected of committing crimes — might include some Solidarity activists.

What seems to have happened is that Poland has fallen victim to its own newly reinstated practice of exaggerating the statistics of success, whether it be in coal production or the achievements of security forces.

At the end of the operation, patrols had to submit numbers of people whom they had stopped and questioned and in many cases they rather oversteered the figures, lest they be accused of poor vigilance.

The problem, one Western diplomat said here today, is that such statements confuse the theatre of martial law with its reality. The reality lies in the rarely trumpeted announcements of summary trials. Yesterday, another three mine workers were sentenced to three and a half years' jail each for trying to organize a work stoppage. There is also an increasing concern, especially in the Baltic region, about the resurgence of organized opposition.

According to unofficial sources, eight telegraph transmitters have been stolen from a marine enterprise near Gdansk, with the intention of establishing clandestine contacts with Warsaw.

Although Solidarity leaders still underground — above all Mr Zbigniew Bujak — have urged the opposition to operate in isolated cells, the opposition is evidently building itself a sophisticated infrastructure.

The suspended organizations have not withered away. Thus the suspended students' union, NZS, is understood to be organizing a demonstration in Warsaw. The Polish Government has ordered price cuts for a number of dairy products including cheese and butter, the official PAP news agency reported.

It did not give the new prices for the commodities which were nearly quadrupled at the beginning of the year. But it said that reductions would mean higher government subsidies. The agency also reported a reduction in the prices of television sets giving as an example the colour set which had been reduced by about 26 per cent to £390.

Copenhagen: Denmark has refused to authorize the release of 10,000 balloons — carrying messages from the Paris offices of Solidarity — from a Polish ship in the Baltic Sea. □ New York: American bankers, encouraged by interest payments made so far by Poland, may allow the Poles to re-schedule their 1981 commercial bank debt soon, banking sources said.

American social issues, 3

Congress challenge on black voting rights

This article on black voting rights by Peter David is the last of three by Our Washington Staff on social issues facing Congress. The first, on housing, appeared on February 5; the second, on abortion, appeared on February 9.

President Reagan's troubled relationship with black leaders will be subjected to new strains in the coming weeks when Congress begins debate on an issue most Americans believe was settled more than 100 years ago — the right of black people to vote.

A powerful group of conservative Republicans in the Senate has begun a campaign to stop Congress agreeing to renew and strengthen the 1965 Voting Rights Act, a landmark law which forced the reluctant Southern states to allow blacks to exercise their constitutional franchise.

Parts of the Act expire in August and the House of Representatives has already voted 389 to 24 in favour of a Bill renewing the Act and making it easier to prove violations of minority voting rights.

More than 60 senators have also promised to support the Bill but an influential minority, supported by the President, wants to modify it and relax some of the safeguards.

The Senate judiciary committee, which began hearings on the Bill this month, has already been the scene of sharp clashes between liberal senators and Administration officials. Senator Edward Kennedy, who wants the Senate to adopt the House Bill without modifications, accused the Administration of undermining civil rights and said the changes it sought would turn the Act into "an empty shell".

The differences between the two sides centre not on the principle of fair voting but on a technical debate about how the Act should work. The technical differences, however, reflect deep political differences between the Northern and Southern states and philosophical disagreements between liberals and conservatives about the definition of racial discrimination.

Blacks won the right to vote in 1870 under the

Fifteenth Amendment, but in the South many were prevented from doing so for nearly a century by intimidation, poll taxes and fraudulent literacy tests.

Goaded by violent civil rights protests, President Johnson introduced the Voting Rights Act in 1965. It abolished the literacy tests and other barriers to black voting. It also stripped six Southern states, where voting had been most restricted, of their authority to make even minor changes in election procedures without "pre-clearance" from the Federal Government.

The House Bill would continue this pre-clearance clause and has infuriated Southern Republicans. They say the Bill treats the South as if it were still a conquered territory, and they find it humiliating to have to ask Washington to approve such details as the position of polling booths in local elections.

Senator Strom Thurmond, the South Carolina Republican who chairs the judiciary committee, wants to enable states with clean voting records to free themselves from federal surveillance. Civil rights leaders vehemently oppose such a change. They fear that the Southern states, left to their own devices, would reorganize their voting districts to swamp the politically potent black vote in large white majorities.

The President and his Senate allies have another more fundamental objection to the House Bill. The new Bill defines voting discrimination as a practice that has the "effect" of discriminating against minorities. President Reagan believes it should be necessary to prove that voting practices "intend" to discriminate.

Both sides concede the Voting Rights Act has been an outstanding success in encouraging blacks to vote. Promising to renew the Act last November, President Reagan said: "The right to vote is the crown jewel of American liberties and we will not see its lustre diminished."

But it is hard to see how Congress can agree on a Bill which could satisfy both civil rights groups and the conservative Republicans.

Hopes rise for UN's Afghan initiative

From Zoriana Pysariwsky New York, Feb 18

The long belated United Nations initiative on Afghanistan may be heading for a breakthrough.

Intimations of willingness from all the parties involved to cast aside their uncompromising positions and begin serious negotiations have gone far enough to prompt the United Nations to draw up plans for the convening of so-called proximity talks with Pakistan and Iran, on the one hand, and the Soviet-backed Kabul Government on the other.

The timing of such talks is still unsorted but discussions about them are viewed with guarded optimism. Nevertheless, the new situation appears to have encouraged Señor Javier Pérez de Cuellar, the United Nations Secretary-General, to speak openly about real prospects for a meeting of minds.

In a recent interview he expressed confidence that immediately after a tour of the region by his special representative on Afghanistan, expected to be named on Friday, attention could be focused on the arrangements for the proximity talks.

Privately United Nations officials are saying that the immediate task of the special representative will be to work out an agenda which will deal with two issues critical for an overall settlement — complete withdrawal of Soviet occupying troops, and a guarantee of Afghanistan's sovereignty.



Papal embrace: A child greeting the Pope on his arrival in Malabo.

Pope thanks his persecuted faithful

From Godfrey Morrison, Libreville, Gabon, Feb 18

The Pope flew to Malabo, Equatorial Guinea, today to thank the faithful in one of Africa's most Catholic countries for remaining steadfast in the face of horrific persecution and to offer the present Government his church's cooperation.

African papal sources said that the Pope's visit to Equatorial Guinea was regarded by him as one of his most important visits since the church there had suffered grievously during the 11 years rule of President Francisco Macías Nguema.

During the Macías presidency hundreds of people died and all Roman Catholic

missionaries were expelled. Thousands of people were sent into forced labour in the cocoa plantations and 50,000 foreigners, most of them Nigerians, were deported.

Macías Nguema was overthrown in 1979 by his nephew Colonel Teodoro Obiang Nguema, who now heads a military Government that is trying to rebuild the country's ravaged economy.

On his arrival in Malabo, the Pope told him: "I am sure that the moral resurgence of the Guinean people will bring about a climate of mutual collaboration that will implant the conditions of a proper morality, both public

and private, and lead to a real spiritual and material progress."

A cheering crowd of 10,000 people greeted the Pope on his arrival in Equatorial Guinea, the last country of his four-nation African tour.

The Pope's words of encouragement will undoubtedly come as a great boost for the military Government whose efforts to reestablish normality in this small country of only about 350,000 people — 90 per cent of whom are Catholics — has not been helped by the world recession.

Only Idi Amin of Uganda rivalled Macías Nguema, who

was executed shortly after the coup which overthrew him, as an African tyrant.

The former President was certainly mentally unbalanced during the later stages of his rule, being widely credited with practising cannibalism. Among his many despicable acts were mass murders, the murder by defecation of at least one of his ministers, and building a wall around Malabo Cathedral to prevent Catholics worshipping there.

The Pope made a particular point of expressing confidence in Bishop Rafael Marizán who was exiled by Macías Nguema in 1972.

Bacteria may help to shrink computers

From Christopher Thomas New York, Feb 18

The speed of technological advance in the United States is threatening to make the silicon chip start showing its age. Scientists are now talking about growing computer components in a test tube.

Already a few laboratories are experimenting with the idea of combining electronics and genetic engineering to produce computer parts from bacteria.

The result would be a computer much smaller and much more powerful than anything in existence today. Researchers are predicting a device the size of a football with the capacity of a cray, the most powerful computer available — although the hypothesis is probably at least 20 years from reality.

The smallest dimension at present is about one micron, a millionth of a metre. Advocates of the chemical approach believe that molecular elements will form the breakthrough to smaller computers. Mr Forrest Carter, head of molecular electronics at the naval research laboratory in Washington, said that hundreds of molecular elements could fit a line one micron in length.

IBM's research centre has synthesized a molecule in which two protons and two electrons — components of an atom's nucleus — can shift position.

This is Thomas. One day, he might win the Nobel Prize. Or perhaps he'll even get a job. (Anything's possible, after all.)

But for two hours last Autumn, all his glorious futures hung in the balance.

He contracted an infection. His temperature soared and he fell into convulsions.

Before we got together with British Telecom, four hours might elapse between the development of serious symptoms and a patient's admission to hospital.

Now, thanks to the national radio paging system, a doctor can be alerted to an emergency by a 'bleep' carried about his person, enabling him to save vital minutes in the treatment of serious illness.

So it was with Thomas. His GP was at his side within an hour, and a potentially-fatal situation defused.

One day, he'll know enough words to thank his lucky stars.

Meanwhile, it's hard to resist raising

an eyebrow at those who depict the microchip as the harbinger of a new Dark Age, in which honest flesh and blood will be surplus to requirements.

For there's nothing inherently sinister about a silicon chip. It is, after all, merely a slave. It does what it's told.

We tell ours, among other things, to train pilots in our flight simulators; to entertain us through our television and recorded music systems; and to take the drudgery out of office work through our advanced, desktop Teleputer terminals.

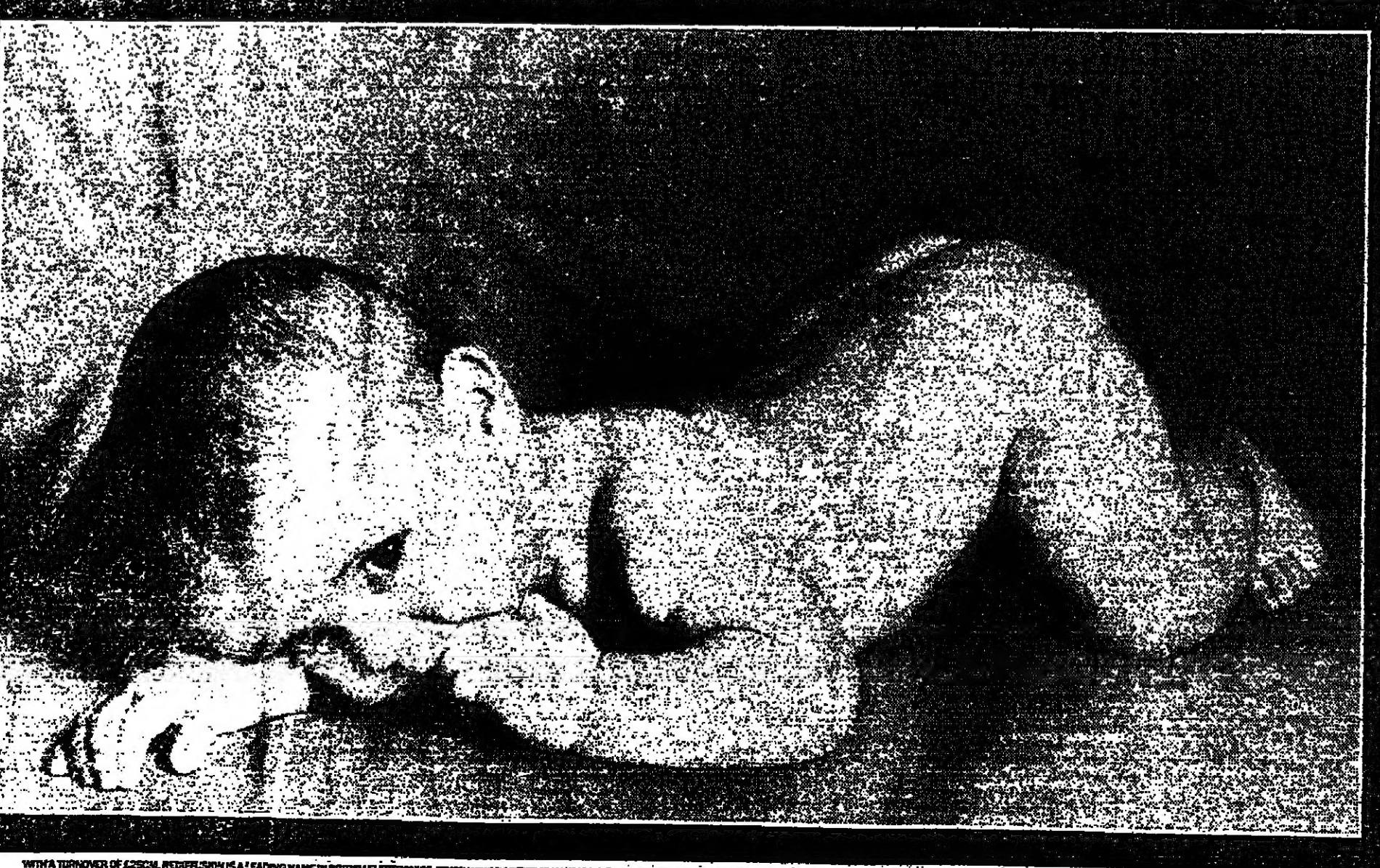
In fact, Thomas will bump into us in all sorts of unexpected places as he grows up.

And we believe that, thanks to us, his world will be rather better than the one he almost left, last September.



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NEWS IN SUMMARY

Oil victims stage a sit-in

Madrid.—Forty people suffering from the effects of Spain's nine-month oil toxic cooking oil tragedy, or members of their families, began a sit-in in a church at Reinos, near Santander on the Cantabrian coast (Richard Wigg writes).

They are demanding swift payment of full assistance to the victims, including children under 16, as well as stricter application generally of food safety regulations. They described their sit-in as indefinite and in no way connected with a similar protest in Madrid churches last weekend.

In Parliament, the Socialist Party urged the Government to order the official clinical commission investigating the disaster to study the effectiveness of acupuncture and homeopathic treatment and to pass the results on to the victims.

Football star out of danger

Hanover — Uli Hoessgen, general manager of Bayern Munich, the West German football league champions, is in the intensive care unit of a hospital here after an air crash in which his two companions were killed. Staff said, however, that his life was no longer in danger. The twin-engine aircraft he was in crashed in fog 10 miles from Hanover airport after flying from Frankfurt. Hoessgen, aged 30, a member of the national side which won the 1972 European championship and 1974 World Cup, was coming to watch last night's international game against Portugal.

Top table for England's team

All five English players look set to qualify for the final section in the West European zonal tournament in Marbella, Spain. In Group A Nigel Short confirmed his hold on the lead by beating McNab of Scotland in round nine on Wednesday (Harry Colombeck writes). He now has seven points and is followed by van der Wiel (Holland) 6, Ligterink (Holland) 6, and Nunn (England) 5.

Jonathan Mestel of England likewise retained his lead in Group B and after beating Klauner (Luxembourg) he has a fine score of seven points out of eight.

Results in round nine: Nigel Short 1, McNab 0; van der Wiel 1, Ligterink 0; Nunn 1, Gattuso 0; Hoessgen 1, Hoessgen 0; Hoessgen 1, Hoessgen 0.

Clue in shoe to nine killings

Tegucigalpa. — A cigarette packet found on one of the nine bodies recently discovered in a common grave linked the killings with the Honduran secret police, Dr Luis Vidal Ramon, in charge of the post-mortem examinations, said.

The packet in a shoe had this message: "To Carmen from Marcus: I am being held in the DIN (secret police headquarters)." The parents of Marcos Rolando Navarro, arrested three months ago, claim this is their son.

Fire cripples atom plant

Stockholm.—A fire at a nuclear power station outside Oskarshamn, Sweden, extinguished after 30 minutes but the reactor will be out of action for several weeks, an official said. There was no risk of any radioactive leakage. "The fire started in the turbine hall and, after personnel were evacuated, was put out with carbon dioxide from the sprinkler system."

Girl driver executed. — A woman taxi driver, Yao Jinyun, aged 23, who killed five people and injured 19 others when she deliberately drove her vehicle into a crowd in Peking last month has been executed.

Syria preparing to attack, Sharon claims

From Christopher Walker, Jerusalem, Feb 18

A claim last night by Mr Ariel Sharon the Israeli Defence Minister, that Syria is preparing to launch a war against Israel has increased apprehension among Western diplomats that the Israeli Army will soon stage a military operation in the north.

During a 35-minute interview on television, Mr Sharon combined his warning about Syria with a description of what he claimed was the growing military and political strength of the Palestinian guerrillas in southern Lebanon.

He claimed the high state of Israeli military alert, in operation since December, was justified by the security situation with the Palestinians and the Syrians. He then added: "Syria itself is preparing for war, and I am not talking about rumours, I am talking about concrete facts."

Questioned by Israeli journalists about the possibility of a new war in Lebanon — a subject which receives daily coverage in the press here — Mr Sharon replied: "We will not initiate a war, this is a clear decision of the Government. But it could be that war will be forced upon us."

The Defence Minister is the Cabinet member named most frequently in press and political speculation as pressing hardest for a Israeli military thrust on a larger scale than the 1978 invasion of southern Lebanon. He has recently met leaders of the Lebanese Christians in Beirut to coordinate plans.

Mr Sharon spelt out Israel's position, disputed by American officials, that the July, 1981, ceasefire related to the Lebanese border, but to any other sort of Palestinian guerrilla operation directed against Israel from inside Lebanon.

He used the occasion to publicly rebuke the statistics of the numbers of Israelis and Jews in Europe.

Palestinians divided

Israelis are spectators in Arab power struggle

From Our Own Correspondent, Jerusalem, Feb 18

An unprecedented wave of Islamic fervour among young Palestinians in the occupied West Bank and Gaza Strip is splitting local opposition to Israel's occupation. The Islamic movement, which has imposed the biggest threat to the dominance of the Palestine Liberation Organisation (PLO) since the Israeli occupation 15 years ago.

There have been a number of violent clashes over the past month between the supporters and the new breed of Muslim fundamentalists. These have resulted in the self-imposed closure for a month of the largest West Bank university at Nablus, the serious injury of a PLO lecturer forced to jump from a third-floor window after being branded an "enemy of God" and the burning of a library in Gaza closely identified with the PLO.

The Beirut-based Voice of Palestine radio station has already broadcast calls for unity among the 1,200,000 Arab inhabitants of the occupied territories and the Islamic movement have expressed satisfaction that the new phenomenon is proving more divisive than the government-supported leagues of rural Palestinians.

The sudden upsurge of fundamentalism is something that is really dangerous for us," explained Mr Ibrahim Karameh, director of the pro-PLO Palestine Press Service in east Jerusalem. "Under the guise of religion, a wedge is being driven between the Palestinians. The real aim of the revivalists is to challenge the leadership of the PLO."

The most telling evidence of the Islamic revival was to be found on the 2,000-strong campus of Bir Zeit, the oldest West Bank university which was closed by military order this week for two months after clashes between students and an Israeli official.

There was no Islamic student body before the doctors, teachers, engineers. We are the Shia like the Iranians: we have no love of martyrdom for its own sake. We want to enjoy life."

In Hama, he claims, the revolt was a direct reaction to ruthless search operations started by the Government last November. "They come with lists of wanted people, but only the family names, so that often they get the wrong person. And when his house is pointed out to them, they don't knock on the door. They throw a grenade into the house, attack it with machine guns and rockets, and then ask questions afterwards."

Damascus blast 'a riposte'

By Edward Mortimer

There was democracy we didn't fight even the communists. We never resorted to arms if we were defeated in elections."

The Brotherhood had as much right to a political role in Syria as the Christian Democrats in any European country. It was determined to remain democratic and avoid at all costs a repetition of events in Iran.

Mr Hashim is encouraged by the latest information from Syria. The town of Ariba, he says, where the road north from Hama crosses the east-west road from Aleppo to Latakia, is practically under Muslim Brotherhood control.

Mr Hashim is bitter about the lack of attention paid by the West to events in Syria compared to Poland.

"The people who are dying are the best we have."



Deng returns to duty

Vice-Chairman Deng Xiaoping (right) was seen in public for the first time in more than five weeks when he met Prince Norodom Sihanouk, the deposed Cambodian leader, who presented him with the flowers. (David Bonavia writes from Peking)

Mr Deng said that he had been "taking rest" and "efficiency" quelled speculation that he had been removed from his positions in the Chinese leadership, though he is now officially described as working in the "second rank". The problems he faces in his plan to prune the Government bureaucracy, and purge unsuitable party cadres, are thought to be still serious.

Because of this, Mr Deng added, and because of the "continuity of policies in recent years", China could come to grips with bureaucratic overlapping and over-staffing.

Observers believe the plan for heavy cuts in official jobs has aroused much alarm and resentment among the country's governing elite, who are worried about the loss of their privileges.

Mr Deng also said that the advanced age of many functionaries had become a pressing matter. "We are determined to take it as a revolution of course, this is a Son Sant and the much smaller revolution in the administrative structure, not a revolution against anyone."

"It is going very smoothly. I think the job can be completed much earlier than expected". Plans are already in hand to merge a number of government departments and ministries, he said.

On Cambodia, Mr Deng said that he hoped the three main resistance movements — the Khmer Rouge, the anti-Communist forces led by Mr Sihanouk, and the much smaller forces loyal to Prince Sihanouk would "persist in unity and achieve positive results" in the struggle against Vietnamese occupation.

Detainee held in mental ward

From Michael Hornsby, Johannesburg, Feb 18

A leading black trade unionist, Mr Thozamile Gqweta, has been admitted to the psychiatric ward of a Johannesburg hospital after being imprisoned and interrogated for more than two months by security police.

His condition has shocked relatives who have visited him.

At least four other people held without trial under South Africa's stringent security laws have been taken to hospital in recent weeks. One detainee, Dr Neil Aggett, a white trade union official, was found hanged in his cell on February 5. An inquest has been promised by the authorities.

Mr Gqweta is the president of the East London-based South African Allied Workers' Union, one of the fastest growing of the new breed of independent black trade unions which have refused to accept government registration and insist on negotiating directly with the companies employing their members.

Arrested early in December, Mr Gqweta was soon transferred to security police headquarters at John Vorster Square in Johannesburg where he was held under the notorious Section Six of the Terrorism Act. This permits the police to hold people for interrogation indefinitely without having to justify it in court.

Mr Gqweta, who is 29, was

visited by his elder brother, Robert, yesterday. Robert said his brother was much thinner, complained of a severe headache, was deeply depressed, spoke with difficulty and easily lost the thread of conversation.

Mr Gqweta was visited by Robert again today, and by his four-year-old daughter, Amanda.

A spokesman for Mr Gqweta's lawyer, who is not allowed to visit him, told The Times: "He seems to be very depressed, and suffers from mania and insomnia. He also trembles quite a lot and wanders in his speech. There is no doubt that this is due to the conditions in which he is being held by the police."



Mixed welcome: Señor Francisco Fiallos Navarro, the Nicaraguan Ambassador in Washington, leaving the White House after presenting his credentials to President Reagan this week. The President told him firmly that Nicaragua was "inviting alien influences and philosophies into the hemisphere." (The Ambassador replied that his country will go its own way and take help from its friends where it finds them.)

Argentine protest at kidnap

From Our Correspondent, Buenos Aires, Feb 18

Political parties here last night called for a thorough investigation of the kidnapping and murder of a woman, and deplored police action which they said disrupted a meeting of the General Confederation of Labour (CGT) that evening.

The woman, Señora Ana Maria Martinez, a member of the disbanded Socialist Workers' Party, was seized while out shopping on February 4, by a man and a woman in a Ford Falcon car. The Interior Ministry said last night that she had been found dead in the Tigre area of Buenos Aires on February 12.

Señor Perette, the former Argentine Vice-President who is a radical leader, said that the multi-party meeting yesterday condemned the kidnapping of Señora Martinez and demanded the most thorough investigation of the affair.

Señor Perette said that the parties also condemned the surrounding by police of the CGT headquarters in Buenos Aires last night just before labour leaders were to hold a meeting. The CGT said that the disruption of the meeting showed the "true repressive face of the Government."

Raiders pull out of Thailand

From David Watts, Singapore, Feb 18

A strong force of Vietnamese and Heng Samrin troops withdrew from Thailand last night more than 24 hours after crossing the border from Cambodia in pursuit of the Khmer Rouge.

The force thrust more than half a mile into Thailand as far as Suptaree village in the Pong Nam Rong district of Chantaburi province. A force of Thai marines was dispatched from further south to relieve a 15-man patrol of the border police which had been surrounded. Five of the patrolmen are unaccounted for, but there is no indication of Vietnamese casualties.

The Thais have been expecting further incursions by the Vietnamese and Heng Samrin troops in Cambodia as the Khmer Rouge fighting forces have been pushed back to the Thai border. Unusually large numbers of Khmer Rouge troops have been reported in sight of the Thai border by diplomats visiting the area over the past two days.

This latest incident comes against a background of fresh moves to break the impasse between the countries of the Association of South-East Asian Nations (ASEAN) and Vietnam over the presence of Hanoi's troops in Cambodia.

The ministers assured Thailand that the Vietnamese forces "in no way threaten Thailand's security," and said that they were ready to talk to Bangkok about all matters of common concern.

Stabilisation normally means to the Indo-Chinese countries the withdrawal of support for the Khmer Rouge. Support for the

Khmer Rouge is being debated in Thailand and the rest of ASEAN. As usual the members have acted with skillful timing.

The Thais have agreed to examine the latest proposal but say it appears to contain nothing new. Along with the rest of ASEAN, Thailand insists any withdrawal must be total and under the auspices of the United Nations.

Much the same proposal was put to Dr Arun Panyapong, the Thai Deputy Foreign Minister, in talks in Bangkok last month when asked whether the partial withdrawal was a prelude to the removal of their troops from the Vietnamese did not respond.

Mr Rafieuddin Ahmed, a special envoy of the United Nations, is due in Bangkok tomorrow at the start of a tour of Vietnam, Laos, and the Asian nations. His visit to Thailand coincides with a visit by Mr Suphachai Dhanabattana, the Singapore Foreign Minister, making the latest of a series of bilateral contacts.

The Thais have meanwhile agreed to return the Vietnamese aircraft and crew which crash-landed last week. Thailand is now satisfied the aircraft strayed over the border by mistake.

El Salvador refugees

Children ailing in lice-infested camp

From Paul Eilman, Santa Tecla, El Salvador, Feb 18

"We were scared of the soldiers. We were scared of everything," explained Amelia, a 12-year-old orphan with bigger responsibilities than most adults could shoulder. "That's why we came here."

Amelia, her nine-year-old sister and her two brothers, aged four and seven, are among nearly 1,000 people who fled to the smoky, lice-infested camp on the edge of Santa Tecla after the war came to their village nine months ago.

She grows quickly when asked who looks after the family, who does the cooking and washing. "I do, of course." The children lost both their parents a year ago and were living alone when the war uprooted them from their home.

Not all of El Salvador's refugees have fled from government forces. Many are bitterly opposed to the guerrillas, especially if they have relatives serving in the security forces.

Most of the inhabitants of the camp at Santa Tecla, 10 miles south-east of San Salvador, originally came from the area round Suchitoto, a town 20 miles to the north which has seen some of the bitterest fighting.

As the war intensifies and spreads, the refugee problem is threatening to overwhelm the agencies trying to cope with it.

Estimates of the number of refugees among El Salvador's population of 4.5 million vary. The United States Embassy puts the total at about 200,000, but relief agencies put it at some 500,000. This includes peasants who have fled into Honduras.

It is often only the lucky ones who find refuge in organized camps. Relief workers estimate that about 72,000 people have come into the Santa Tecla area, most of them to live as squatters in shacks on the fringe of the town.

Those for whom space has been found in the camp lead tedious lives, centred mostly on its sole source of water, a pipe which the municipality turns on for one hour a day.

Otherwise, they sit at the entrances to the 12ft square rooms into which the makeshift huts are divided.

The camp is run by the Salvadorean Green Cross founded by young idealists who felt that the Red Cross was reluctant to risk the anger of the authorities.

The Green Cross admits that it treats wounded guerrillas and that it provides relief for refugees in areas controlled by the Government's opponents, the Farabundo Martí National Liberation Movement.

As a consequence, the Green Cross has had ambulances and medicines donated from abroad impounded by customs for non-payment of duties.

Harassment of this kind is a feature of life for the refugees at Santa Tecla who are periodically raided by troops from the local garrison but are otherwise virtually neglected by government officials.

Señor José Luis Escobar, a former field worker who fled with his remaining seven children from Suchitoto and has been jobless ever since, said of the government forces: "They were killing our neighbours. Then they killed my eldest daughter."

Señor Rafael Vega Salazar, the Green Cross director for Santa Tecla, says that it is virtually impossible for refugees from the countryside to find employment in urban areas, although some manage to find outlets for handicraft products such as fishing nets and hammocks.

Señor Salazar, who was a travelling salesman before he became a full-time relief worker, said the situation throughout the country was worsening daily, with many refugees coming out of western areas.

Although the European Community and world church groups provide food and medicine for the refugees, the Green Cross says that it is unable to cope with the growing health problems in the camps, especially skin and bronchial complaints among children, who make up more than half the total number of refugees.

"We are expecting more refugees all the time. This can only make the medical situation worse," Señor Salazar said.

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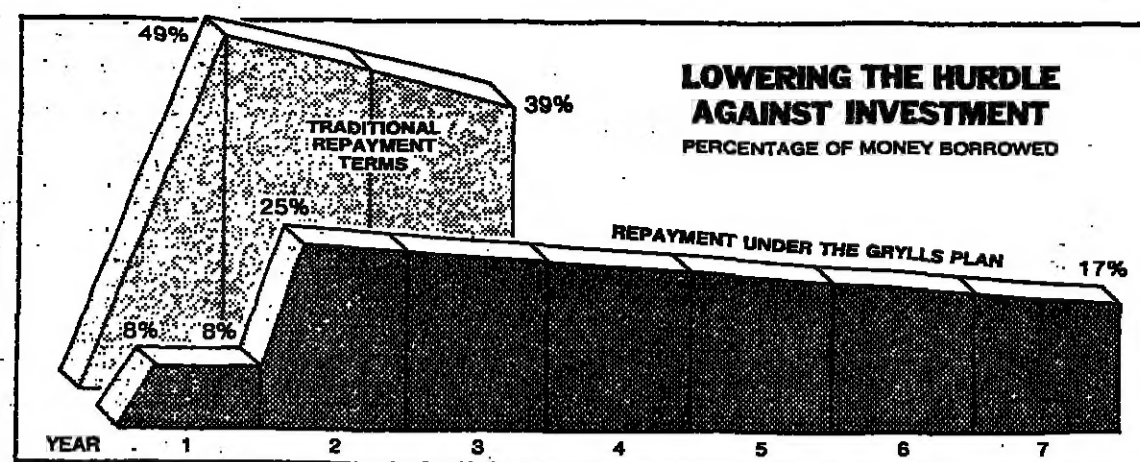
"We are expecting more refugees all the time. This can only make the medical situation worse," Señor Salazar said.

Señor Salazar, who was a travelling salesman before he became a full-time relief worker, said the situation throughout the country was worsening daily, with many refugees coming out of western areas.

George Brock reports on the Budget measure that could bring £7,000m investment and 300,000 new jobs

One small move for Geoffrey Howe, a giant opportunity for industry

As Britain's industrial battalions lobby the Chancellor for costly economic expansion in next month's Budget, a group of Conservative businessmen - led by MP Michael Grylls - has put together a cheap tax change that could play a major part in revitalizing our manufacturing investment.



1 Mr Honks beats the hurdle factor

Imagine yourself to be the managing director of a medium-sized firm called Honks Ltd: at your aging factory, 50 people make car hooters. You exist on capital of £1m, half of it raised by overdraft, the rest by loans made for fixed periods. It is obvious to you that to stay afloat in the global hooter market, Honks has to modernize. A year ago, you came close to spending £200,000 on new hooter-making equipment, but gave up when you found how much borrowing the funds would cost. You are surviving the recession, but at a price: a failure to equip for the future; since last year Taiwanese hooters have penetrated the market even further and now the modernization plan is back on your desk.

The figures are still alarming. The bank is ready to lend the

£200,000 at 16 per cent over three years. To meet both the interest and pay back the capital will cost Honks about £90,000 a year for those three years. The new machines should make the production line roughly twice as productive, but the world hooter market is too uncertain to guarantee enough cash coming in. Would it not be better to wait until the promised recovery materializes?

Now suppose a different possibility arises? New arrangements between the banks, the Government and industry say that if a loan is made for longer than five years, the payback rate is halved. Companies paying interest on loans are now entitled to claim the cost of that interest as an allowance against corporation tax when they are eventually taxed on any profits. The new plan will give certain firms those allowances straight

away, whether or not they are to pay tax at year end. If they do eventually make a profit, they will be taxed without the allowances. Since most corporations pay tax at 52 per cent, instant allowances will halve the cost of loan repayment. Longer-term loans to industry will become more like house mortgages for which tax relief arrives immediately. You do the sums again. A seven-year loan with no capital being repaid until the second year would mean an average annual cost of £42,000. What some businessmen call the "hurdle rate" is now much easier; Honks does not have to jump so high so fast. That spare cash should mean that you can boost the output of hooters, which because of the new machinery, will be better-priced against the Taiwanese.



2 The Grylls team v. the rest

The above story of Honks Ltd is a simplified fantasy. But it is an example of what a small but energetic group of Conservative businessmen is trying to insert into Sir Geoffrey Howe's Budget speech on March 9. A working group set up by Mr Michael Grylls MP, chairman of the party's backbench industry committee, set out to look for an industrial pick-me-up that would violate as few of the Government's economic rules as possible. They have come up with an ingenious refutation strategy. If it worked, it might be one of the few ways in which this Government could stimulate the economy promptly enough to improve its bleak election chances.

Mr George Edwards, the banking economist and member of the Grylls working party, estimates that £7,000m of new and existing loans might be taken into the scheme in the first year, generating a possible 300,000 jobs. On the ground that each 100,000 new jobs cut between £300m and £600m off the public sector borrowing requirement, Mr Edwards argues that not only will the scheme not lose the Government any tax, but it will help the economy. If the treasury did its sums properly, it would see that, he said.

Edwards has argued for some time that the British financial system is biased against longer-term lending to industry. With

interest rates high, short-term loans create a "liquidity trap" which does not endanger firms in West Germany and Japan where loans are made for longer periods. The working party was also the author of the loan guarantee scheme for small firms which slipped into the Budget last year, proving that it was possible for voices from outside the regular chorus of pre-Budget advice to be heard by the Chancellor. They have been assiduously briefing other individual Cabinet Ministers on their latest brainchild.

In its first version, the study group's report simply suggested that the Government should grin and bear the "loss" of the tax relief paid earlier than usual. The loss would be offset by a "liquidity trap" which the group began hawking the idea around Government departments in the autumn and took a valuable tip from David Young, then political adviser to Patrick Jenkins, the Industrial Secretary, and now the chairman of the Manpower Services Commission.

Young suggested that the banks be persuaded to carry the first costs and to claim it back only when they paid their own tax. The political leverage was clearly available: banks sensitive about their massive profits might be easier to persuade than a reluctant Treasury and they could charge slightly higher

interest rates to compensate. The scheme could then be presented as no threat to Government revenue.

But the banks are still ambivalent. Robin Leigh-Pemberton, chairman of National Westminster, was reported to have told Conservative backbenchers that he favoured the idea. He now claims that he was misquoted and Ian Morrison of the representative Committee of London Clearing Bank said this week that his remarks had been confined to small and new businesses. It was a personal opinion, said Morrison.

Morrison said that the banks are reserving their position until they see the latest proposal in full, but want to know for certain that they would be able to change course when the time comes to cover the cost of carrying the tax relief. What criteria for lending under the scheme will be and how it will be policed against abuse. "There isn't," said Morrison, "massive anecdotal evidence showing that industrialists are saying 'things would be OK if there were some temporary relief even if the tax bill is higher in the end'."

Treasury officials share some of the doubts about approval mechanisms and policing, but their principal doubt is over whether the Government should encourage the possibility of the monetary expansion that a successful scheme would imply.

The scheme may rate a non-committal mention in Sir Geoffrey's speech. Its chances of anything more substantial seem remote since little detailed work has been done inside the Treasury and what work was done has left the officials with reservations. The Grylls working party says that there will be no watering down to prevent "round-tripping" (surplus money being sent into the money markets and back again with a profit) but that the banks seem confident of being able to control abuses. The Grylls group would like policing to be done as spot checks by approved accountants to avoid the need for large numbers of civil servants. It has not so far suggested any detailed criteria for distinguishing between approved industries and "candyfloss" manufacturing would be approved, property speculation would definitely not and hotels might be on the borderline.

Confronted by the money supply argument, the working party found the direct line adopted by Sir John King, their chairman, of the engineering firm Babcock and Wilcox, when it presented the idea to the Treasury last November. "Chancellor," said Sir John, addressing a crowded room containing two Ministers, officials from the Treasury, Department of Industry and the Inland Revenue, "industry is bleeding."



CANNING The W. CANNING GROUP

Foden

T&N

3 The view from the boardroom

David Probert is the kind of Chief Executive Mrs Thatcher would like: too busy pushing his company upward and outward to moan about the recession. Mr Probert has also been spending £2m on producing new ideas and making nearly half of his workforce of 2,300 redundant to keep the company alive. The Canning group, started nearly 200 years ago, now makes specialized chemicals, plating equipment, valve fluids and refines precious metals. It sells technology to IBM and Mitsubishi. "And the banks," says Mr Probert, "have been a hindrance."

Canning's products take three or four years to develop, test and market; not every one works out as intended. Investment has become harder to finance. Mr Probert has his eye on the tiny road maps of gold which lace across printed electrical circuits. He would be well-placed to sell gold potassium cyanide, one of the elements which goes into the alloy which makes the "roads".

The necessary laboratory would cost £300,000 and scientists' salaries for two or three years would eat up another £150,000. Raising the money is no problem; the banks, he says, are always keen to lend. But Mr Probert requires each of his companies to make 25 per cent profit on its operations. A subsidiary which has a new product not making money while it is being tested needs to balance that with something which makes a profit more than 25 per cent. Gold potassium cyanide will cost too much to develop; so the project is stalled.

Some time in 1983, or possibly 1984, Canning's new phosphating processes and machinery will start to make a profit for the firm. It will have taken seven years and £500,000 to bring off a competitively priced piece of equipment which seals bicycle frames against corrosion, using less energy than other processes. Mr Probert would not embark on such a long haul today. "Nowadays when you're raising money," he says, "you want to be able to look at it and say: 'It's going to do a quick pay-off.'"

The banks have woken up slowly to the idea of making longer money available for projects which will pay immediately. The loan, Mr Probert says, should match the schedule.

Bill Foden and Douglas Paybody, chief executive and chairman respectively of Fodens, of Cheshire, at the time of its takeover, calculate that a Grylls scheme would have provided an extra £5m over the last seven years of their difficulties. The sum recurs in their post-mortem arithmetic: during Fodens' final cash-flow crisis it was the amount they asked the Government to lend while they negotiated a takeover by Renault, and it was the amount the Government eventually paid out in redundancy to Fodens employees.

When the lorry-makers, which once employed 3,000 went into the hands of the receiver 18 months ago, it was snapped up by the Seattle-based PACCAR group. Staff now numbers 700.

Many factors may have contributed to the collapse. The figures are less important than the type of lending it was offered. Fodens was 12 years old and had a remarkably peaceful industrial relations record. In the late 1960s — good years for the truck business — it failed to copy the modernization schemes of competitors, but caught up in the early 1970s when it built a plant for £4m, producing a popular range of tractors, dump trucks, six and eight-wheeled lorries, military vehicles and engines. No sooner was it built than the truck business went into several years of boom and slump. The new plant had been built on existing reserves of cash, but in 1975 a group of 30 City institutions averted a crisis with a £3m loan eventually converted into shares. Cash flow remained difficult.

When the end came, Fodens had an overdraft facility of £7m and a £5m seven-year loan. The seven-year loan was the odd loan out: the bulk of its finance had been overdrafts converted into share issues. Banks which are criticized for lending "short" often reply that many industrialists prefer overdrafts: they adjust to precise needs and work out cheaper.

But would lower-cost, longer loans have helped Fodens? Barry Baldwin, a partner at Price Waterhouse and a member of the Grylls working party, commented: "No one can say for sure, but one thing Fodens needed was a stable cash flow. A lesser proportion of borrowing at a lower rate than the short run could only have helped."

Martin Bell, finance director of Turnball & Newall, watches his company's attempts to modernize textile machinery in a Rochdale plant which employs 3,000 people and which is fighting fierce overseas competition. In T & N terms, the machines, at £500,000 each, are not costly, and they are 10 times more productive than the present ones. But the cash is not available to install them quickly.

In a group as large as T & N, which controls plastics, construction, chemical and mining firms, any Grylls scheme would affect the rate of new investment.

T & N spends about £10m a year on capital projects in Britain and does not find that its supply of money is short, but that interest rates endanger cash flow. If it could use Grylls' advantages on only half that sum it would immediately have an additional margin of £400,000 a year.

Mr Bell said: "The Grylls scheme would obviously have an immediate effect. Cash flow would improve and boards of directors are more likely to go ahead with projects at a more economic rate."

What Mr Bell calls the "hurdle rate" of payments made by contractors is broken all the time. "Nowadays you're looking for a two or two-and-a-half year payback," he said. "Longer-term money is available but at floating interest rates and that makes it difficult to look further out. You want modernization, cost-saving, energy-saving schemes which can make 40 per cent. There aren't many of those."

"If such a scheme starts, I hope it would be not just for brand new 'green field' sites, but for modernization of existing plant. It is essential that we keep our machinery modern and have the up-to-date technology used by competitors."

Mr Bell's enthusiasm for the Grylls scheme is fired by the attractions of being able to use present conditions.

Court of Appeal Law Report February 19 1982 Divisional Court

No rates before property is in full use Extending scope of injunction Licensing fees policy lawful

British Telecommunications v. Kenneth District Council
Before Lord Justice Waller, Lord Justice Kerr and Sir George Baker
{Judgment delivered February 18}

When a new telephone exchange is built, the local authority is entitled to rate the building and the equipment while the equipment was being installed. The Court of Appeal so held in reserved judgments (Sir George Baker dissenting) allowing with an appeal from the decision of the Divisional Court in *British Telecommunications v. Kenneth District Council*, formerly the Post Office, from an order on December 4, 1980, of the Queen's Bench Divisional Court, giving effect to an appeal from the decision of the Divisional Court in *British Telecommunications v. Kenneth District Council* during the period in question, and that a distress warrant issued to the House of Lords was granted.

Mr Guy Seward for British Telecommunications; Mr Christopher Cochran for the rating authority.

LORD JUSTICE WALLER said that British Telecommunications were the owners of the Burbage telephone exchange and the Luddershall telephone exchange. They were completed on November 29, 1976, and August 22, 1977, respectively. Thereafter equipment was supplied and installed by contractors. While the buildings were being equipped British Telecommunications provided a clerk of works and from time to time their engineers attended to test the equipment being installed. British Telecommunications accepted the equipment as being satisfactorily installed at Burbage on July 21, 1977, and at Luddershall on November 19, 1977, and the exchanges were then ready for service.

A demand for rates for the period during which the equipment was being installed was made in respect of each building. British Telecommunications did not pay and complaint was made by the rating authority before the justices. British Telecommunications were in rateable occupation during those periods. British Telecommunications' case was that rateable occupation began when the hereditament could be used for its intended purpose, and that the

valuation was made because the appellant was able to occupy and use the property for its intended purpose, which was when the exchange was in working order. The rating authority argued that since the rate was based on the building and included the equipment for plant, British Telecommunications became rateable occupiers when the building was completed and before the plant was installed.

The rating authority said that British Telecommunications were occupiers and derived a benefit from their occupation because they were able to have their plant installed so that in due course they could work it. In *Arbuckle v. Smith & Co Ltd v. Greenwood* ([1960] AC 813) the House of Lords had to consider whether when a company purchased a warehouse for use as a bonded warehouse it was in rateable occupation while necessary alterations were being carried out, and it was held that the making of alterations with the intention of carrying on a business when they were completed did not constitute rateable occupation.

Here the rating authority conceded that if what was done to the buildings had involved work on the structure there would have been no rateable occupation until completion of that work but they contended that since this was plant the principles enunciated in the *Arbuckle* case did not apply. Reid distinguished between the owner who in some way enjoyed the accommodation he was occupying and the owner who was preparing for future occupation. Although Lord Reid was not considering the installation of a repair or improvement taking three months excluded rateable occupation and the installation of plant taking eight to 15 months did not also do so.

Also, Lord Reid pointed out the fallacy of saying that because some beneficial use was being made in that case an alteration, therefore there was rateable occupation. Rateable occupation did not exist unless the owner was occupying the property for its only use which was being contemplated, namely for operating a telephone exchange. Since the activities were confined to making the premises fit for that purpose it was not the kind of actual user as was essential to rateable occupation.

His Lordship would allow the appeal and hold that rateable occupation did not commence until the premises were available for the use as a telephone exchange and that British Telecommunications were not in rateable occupation during the period for which the rating authority sought to rate them.

LORD JUSTICE KERR, agreeing, said that on the facts no distinction was drawn between the time when the buildings were completed and the time when the work of installation began. However it was common ground that British Telecommunications could not have been liable to pay rates at any time earlier than the time when the buildings were available for use as a telephone exchange. It was only as from that time that they could be said to have been in occupation in any sense of the term. The question was whether they were to pay rates as from that time and the answer was in the negative.

SIR GEORGE BAKER, dissenting, said that in the ordinary sense of the word each of the buildings was actually occupied as a matter of fact from the starting date of the respective period. There were acts of user by British Telecommunications; apparatus was being installed, men were working, and equipment was being tested. The only question for the court was whether the occupation was of some value to the occupier, and the value or benefit did not have to be necessarily pecuniary. There was actual benefit to British Telecommunications. It had required buildings in which to install telephonic equipment and it had such buildings constructed. It had taken possession of the buildings and had begun to install the equipment by its contractors.

There was some benefit although ultimately other more valuable advantages would flow. The decided cases did not compel the conclusion that as the buildings were not ready for their ultimate use as operational telephone exchanges they were not rateable and would not be rateable until they were occupied as operational or at least ready for service. In the *Arbuckle* case the company's use of the premises as a bonded warehouse did not start until the alterations were completed by the Customs and Excise, and only then could it

carry on the business of warehousing. Here the telephonic business of British Telecommunications was not only the operation and maintenance of the ultimate service when calls were made, but was concerned with every thing antecedent thereto which was necessary to produce that service. The purpose of the buildings was to house telephonic equipment and they were ready and being used for that purpose. His Lordship would dismiss the appeal.

Solicitors: Mr P. G. Ashcroft; Mr S. N. Weighall, Devizes.

Solicitor's duty varies with clients
Carradine Properties Ltd v. D. J. Freeman & Co
A solicitor's duty was to exercise all reasonable care and skill in and about his client's business in which he was engaged but the scope of that duty depended upon the extent to which the client appeared to need advice. An inexperienced client required more advice than an experienced one.

The Court of Appeal (The Master of the Rolls, Lord Justice Evershed and Lord Justice Donaldson) on February 18 held that the defendant solicitors were not liable for breach of duty in failing to advise the plaintiff, a property developer, of the provisions of the 1976 Act which required a property owner's liability insurance policy.

Treatment of juries
Regina v. Wallace
Lord Justice Ackner (sitting with Mr Justice Stocker and Mr Justice Mynott) said in the Court of Appeal (Criminal Division) on February 12 that it was wrong for counsel to treat a jury as a computer expected to absorb highly complex evidence but then to consider them totally incapable of retaining any point of importance and in need of reminder not only in the defence closing speech but also by the judge in his summing up. A judge was entitled, and should normally assume, that a jury had a grasp of a case.

Extending scope of injunction
Horne v. Horner
Before Lord Justice Ormrod, Lord Justice Dunn and Sir Sebag Shaw
{Judgment delivered February 18}

Harassment of a party to a marriage by sending threatening postcards and making frequent telephone calls to her place of work was conduct which amounted to molestation within the provisions of the Domestic Violence and Matrimonial Proceedings Act 1976, the Court of Appeal held, allowing an appeal by a wife from the decision of Judge MacManus in *Horsesham County Court* to grant her a fresh injunction.

Mr Philip Newman for the wife; the husband did not appear and was not represented.

LORD JUSTICE ORMROD said that the judge had been right to grant an injunction because the wife had been harassed and molested and the husband had been adequately protected and that the proceedings in the county court were a duplication of proceedings and just adding to the costs. The powers of the county court under the provisions of the 1976 Act were much wider than those granted to justices under the Domestic Proceedings and Magistrates' Courts Act 1978. The injunction sought by the wife was probably outside the provisions of the 1976 Act, sections 16 of which referred to the use of violence or threat to use violence against the applicant or a child of the family. The applicant in this case was the wife. The husband was not represented. The powers of the county court under the provisions of the 1976 Act were much wider than those granted to justices under the Domestic Proceedings and Magistrates' Courts Act 1978. The injunction sought by the wife was probably outside the provisions of the 1976 Act, sections 16 of which referred to the use of violence or threat to use violence against the applicant or a child of the family.

Licensing fees policy lawful
Regina v. The Greater London Council, Ex parte The Rank Organisation Ltd
Before Lord Justice Watkins and Mr Justice Glidewell
{Judgment delivered February 18}

The policy of seeking to raise a substantial part of the cost of the licensing system out of the fees charged was not an irrelevant consideration in fixing the scale of fees to be charged and was a policy decision neither less legal nor less moral than the previous system under which the cost was borne by the general body of ratepayers.

The Divisional Court so held in refusing an application by the Rank Organisation Ltd, for a declaration that the manner in which the Greater London Council had fixed the scale of fees for the licensing of public music and dancing had been arbitrary, unreasonable, improper, contrary to natural justice, and the fees thereby fixed unlawful, and the council's powers.

Mr J. J. Finney for the applicants; Mr Charles George for the GLC.

Allowance to be taken into account
Walker v. Walker
The single-parent allowance was a financial resource of a party to a marriage under section 25(1) of the Matrimonial Causes Act 1973 and had to be taken into account when considering how to exercise the powers under sections 23 and 24. Lord Justice Dunn (sitting with Lord Justice Ormrod and Sir Sebag Shaw) held in the Court of Appeal on February 17.

His Lordship said that the judge had disregarded the single-parent allowance which the wife received and had adopted the view expressed by Mr Justice Watkins in *M v. M*. The court, reported October 9, 1979, the single-parent allowance was, like any other state benefit, a financial resource and had to be taken into account when considering financial provision.

Renewed protest ruled out
Mayes and Another v. Minister of Transport and Another
The Court of Appeal (Lord Denning, Master of the Rolls, Lord Justice Evershed and Lord Justice Donaldson) held on February 4 that an inspector at a public local inquiry set up to hear objections to draft schemes and orders relating to side roads and interchanges to be built on a section of the M25 motorway, was entitled to refuse to hear objections directed to a reconsideration of the line of the motorway, which had already been determined in 1974 after public inquiries.



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SIR PETER HIT THE BUFFERS

The railways board has chosen to tread the path of humiliation mapped out for it by Lord McCarthy, not that he left it with much choice when he decided to make it the victim of last August's ACAS-sponsored fudge. The latest three-cornered bout with ACAS has not produced any clear commitment by Aslef to the principle of flexible rostering as that is understood by the board. The most it produced was an assurance that the union does not rule out in advance negotiation under that heading. Not much of a fig leaf there, in spite of Sir Peter Parker's brave attempt to magnify the cover provided.

And of course Aslef has agreed to the strict timetable Lord McCarthy laid down for negotiation and arbitration if necessary, arbitration by which Aslef is most unlikely to make itself bound. Not much of a fig leaf there either.

There is however another garment in which the board can clothe its nakedness as it enters the negotiating chamber. When last summer it was presented by the Railway Staff National Tribunal with a wages award appreciably higher than any it had the money for, the board declared that if the topping of 3 per cent was to be paid it would have to be made self-financing.

The method of financing it which the board quite rightly went for was that of making working practices on the railways less crippling inefficient. It brought the NUR and the salaried staffs along with it and agreed measures of labour productivity with them, including flexible rostering where it applied.

But though the best, more efficient working practice is not the only method by which money can be found to pay the extra wages. It can be found by employing fewer train drivers. If the final stage of these drawn-out proceedings, to be concluded by mid-March, does not produce a negotiated agreement on the rostering of footplate-men, or if Lord McCarthy (for it will be he) hands down an arbitration award that fails to yield sufficient productivity to cover the cost of the extra wages the board is now to be obliged to pay, or if Aslef refuses to accept the award that is handed down, the railways board should immediately set about shedding labour to the precise extent that is needed to match the cost of the three per cent.

So that no one shall be left in any doubt about its intention, the board should make known before the final round of negotiations begins that this is what it means to do

and spell out the implication in the number of jobs to be shed. The Government too should approve that intention and indicate that the board's borrowing limits will be regulated accordingly. The job losses should be made to fall on that branch of the railway service that has withheld its cooperation and they should be chosen so as to minimize curtailment of services to the public so far as possible.

The purpose of the threat is not to punish Aslef or seek partial revenge upon it but to drive home the lesson that there is no commercial future for the railways, no security for its employees and no grand investment strategy unless management and men, individually and through their unions, heartily accept the objective of productive efficiency. As chairman of the board Sir Peter Parker has preached and practised that. He has rightly staked a lot on the issue of flexible working by footplate-men, for that is the key factor obstructing the efficient use of their time. If he fails to carry the point he will resign, he says. The conjunction would be greatly regretted. But the priority Sir Peter has insisted upon will survive him. One may be confident that any successor appointed by this government will share that priority. It will not go away.

But that is not the way that it appeared to many members of the armed forces and to rightists in Spain's civilian population. To them, the attempted coup was the work of patriots taking justified action against the ills they saw in contemporary Spain—the terrorism in the Basque country, the poor state of the economy, the increase in crime and even such steps as the move to legalize divorce. This sort of attitude is not shared by the majority of the Spanish population. But it is widespread in the armed forces, as has become uncomfortably clear over the past year. For them and for other rightists Colonel Tejero, who led the takeover of Parliament, and General Milans del Bosch, who ordered tanks into the streets of Valencia, have become heroes fit for adulation.

The task of the military court should be, therefore, to demonstrate firmly and clearly that that is not so, and that military rebellion is wholly unacceptable. How far it will do this is, however, one of the main questionmarks over the proceedings. Attempts will undoubtedly be made by counsel for the defendants to appeal to military esprit de corps by presenting the case as one brought against the army as a whole. It is possible that the members of the court

may feel a certain sympathy for their fellow officers in the dock. So there is a danger of the court appearing to minimize the seriousness of the charges, or even allowing the proceedings to turn into a denunciation of democracy. Most damaging of all would be a decision to impose no more than derisory sentences on any officers found guilty.

The government of Señor Calvo Sotelo was aware of these risks when it decided, in the aftermath of the attempted coup, to hand the case over to the military system of justice. It could have had the defendants tried in a civil court, and that might have seemed to be the proper place, since they are charged with conspiring to overthrow the government. But it was afraid then, and it is still afraid, of an angry reaction from the army if it felt it was being demeaned.

There are clear advantages in having the case heard before a military court, provided it is properly handled. A severe sentence passed by fellow officers would have a good chance of being accepted by the greater part of the army, while a similar sentence passed by a civil court might seem to them to be vindictive. And it would do much to disabuse the officer caste of the notion, deeply rooted in Spanish history, that it is above the law. The lesson would be timely as Spain prepares to join the other western European democracies in Nato and the European Community.

restored over time even without government intervention, since the gas industry is having to pay far higher prices for new gas supplies. As these supplies take over from declining traditional low-cost supplies, so the price of gas would have had to rise at a sharp rate without any intervention.

In one sense, it is an argument primarily about fine tuning. The gas industry would prefer to adopt a slower pace of price increases to preserve more of the benefit to its own customers just as the electricity industry would prefer a slacker financial target to allow it to cope better with the effects of recession on demand. The government prefers a slightly faster pace of adjustment to avoid distortions in the market, to raise its revenue from gas and to protect coal. The difference to the consumer is one of timing rather than degree. But it is also an important question of principle. For a government to intervene in nationalized industry pricing for reasons other than to prevent a misuse of monopoly power is always dangerous. This year's intervention for broader policy reasons is next year's intervention for short-term political reasons, with all that this entails for mounting state losses, poor management morale and low efficiency. In imposing this set of increases, the government is undermining the very policies it should be trying to promote—a greater efficiency and better management by the public sector.

HIGHER SPEED AND HIGHER PRICE

At the very time that petrol prices are falling by 5 per cent and more, the state electricity and gas industries are now announcing increases of around 10 and 25 per cent respectively in their tariffs. Not for the first time the British consumer is being faced with the glaring disparity between the free market where prices have responded to recession and the state sector where prices continue to rise in response to costs rather than demand. Not for the first time, the consumer's response has been to blame the inefficiencies and monopoly power of the nationalized industries.

Understandable this reaction may be. Fair it is not. The rate of increase in gas prices in particular, but also of electricity prices, is very much the reflection of political decision rather than internal efficiency (although inefficiency there undoubtedly is). Three years ago the Government decided that gas prices which had tended to be low compared to other fuels because of North Sea gas prices agreed in pre-energy crisis days, should rise by around 10 per cent above inflation for three years so that they could close the gap with competitive fuels such as electricity. The coming financial year will be the third year of such policy, conveniently completing the cycle in good time to see a slowing down in gas prices in the run-up to an election. The electricity industry decision on prices is a little different. In its case, the rate of increase has been imposed by the target of

return set by the government two years ago—a target which the industry now feels is too tight for a recession but which the government, or rather the Treasury, has insisted must be adhered to. The result in both cases, is a series of price rises for which the nationalized industries disclaim responsibility, from which the government conveniently keeps its distance and which the consumer none-the-less has to suffer.

There is reason in this madness. In seeking deliberately to accelerate the pace of gas price rises beyond the wishes of the gas industry itself, the government has been trying to bring some balance to the competitive market for fuels. By an accident of history, the gas industry arranged a series of long-term contracts at prices agreed before the explosion of oil costs in 1972/73. The benefit of this has been enjoyed partly by the industry, which has recorded record profits in recent years, and partly by the gas consumer, particularly the domestic gas consumer, who has enjoyed gas prices which in real terms are still less than they were a decade ago and as much as 30-50 per cent below competitive oil or electricity prices. The reverse side of the coin has been the loss of potential tax revenue to the state from the even greater profits which would have resulted from raising gas prices in line with oil.

The madness in this reason is that the competitive energy balance would have been

restored over time even without government intervention, since the gas industry is having to pay far higher prices for new gas supplies. As these supplies take over from declining traditional low-cost supplies, so the price of gas would have had to rise at a sharp rate without any intervention.

In one sense, it is an argument primarily about fine tuning. The gas industry would prefer to adopt a slower pace of price increases to preserve more of the benefit to its own customers just as the electricity industry would prefer a slacker financial target to allow it to cope better with the effects of recession on demand. The government prefers a slightly faster pace of adjustment to avoid distortions in the market, to raise its revenue from gas and to protect coal. The difference to the consumer is one of timing rather than degree. But it is also an important question of principle. For a government to intervene in nationalized industry pricing for reasons other than to prevent a misuse of monopoly power is always dangerous. This year's intervention for broader policy reasons is next year's intervention for short-term political reasons, with all that this entails for mounting state losses, poor management morale and low efficiency. In imposing this set of increases, the government is undermining the very policies it should be trying to promote—a greater efficiency and better management by the public sector.

Uncertain victory in rail settlement

From Mr R. J. W. Crabbe
Sir, I have been astonished at the easy acceptance by press and television of Ray Buckton's obviously propaganda cry of "total victory". No account seems to have been taken of the implications of the very precise proposals for a settlement put forward by the McCarthy committee. These, if fully implemented by Aslef, spell "total defeat" for them on the only issue that really matters.

The central point of contention throughout has been British Rail's demand that Aslef should confirm its acceptance of the August requirement for flexible rostering before the 3 per cent is paid. This is the exact procedure laid down in the McCarthy scheme for a settlement.

Specifically, these proposals, as quoted in your issue of today, (February 17), propose, as the first step, that Aslef should confirm its commitment to flexible rostering under the clause of August agreement which reads: "Variable rostering hours within limits to be negotiated. Negotiations shall take place to establish variations to the rostering agreements with a view to covering the cost of the extra eight-hour day, but without producing unreasonable variation in the length of each working day or week. These discussions shall be concluded by October 31, 1981."

The next step is for Aslef and British Rail to agree a tight timetable for implementing this commitment. Only when these steps are complete is it proposed that British Rail should pay the 3 per cent—and Aslef call off its dogs.

Wherever legalistic ambiguities there may have been in the agreements of last summer, this proposed programme makes it quite clear that the committee believes that Aslef has made a commitment to flexible rostering. Ray Buckton has once again averred that they have no intention of honouring.

Yours faithfully,
R. J. W. CRABBE,
Fairways,
166 Lower Green Road,
Essex,
Surrey,
February 17.

From Mr A. T. Cropper
Sir, I think that Mr Buckton, in claiming victory, has missed the whole reason why many other people are disgusted with his actions. We realize that he is canny enough never to have committed to paper a clear agreement to flexible rostering.

Additional capital investment in the infrastructure on which industry and commerce depend is also a high priority. A survey carried out by the Manchester Chamber of Commerce and Industry in January listed a lower rate of inflation and a fall in interest rates as the two most important requirements for improving future business prospects. These were followed by higher productivity, improved cash flow and a lower exchange rate. But personal taxation was not mentioned by any of our correspondents. Whoever your correspondents have been talking to, it is not to my members.

Yours faithfully,
J. McDONALD, President,
Manchester Chamber of Commerce and Industry,
Ship Canal House,
King Street,
Manchester,
February 17.

European Court powers

From Mr Michael Fallon
Sir, Mr Bewsher (February 9) surprisingly understates his case, which goes far beyond the Scotch whisky industry. Governments of the member states erect far more barriers than any commercial company, even the largest multinational. To force companies to treat as harmonised markets which governments insist on keeping disparate is not only unfair but also positively impedes competition.

The difficulty arises, in part, from the obligation on individuals or companies injured by contravention of Community law by a member state to seek redress in the national courts of that state. Pace Mr Tyrell (February 4) this may involve five or more years' litigation in courts of first instance, courts of appeal

and courts of cassation before the question reaches the Court of Justice which, even then, cannot award damages. Furthermore, national laws and practice on damages differ widely in the member states.

What is required, if justice is to mean justice, is the right for such individuals or companies to sue the appropriate government for damages before the Court of Justice. It is the granting of such a right which would unleash forces for harmonisation far greater than those enjoyed by the Commission and would, moreover, massively improve the popularity of the Community in the eyes of those, like Mr Bewsher, at present suffering from a dual standard of law enforcement.

Yours faithfully,
MICHAEL FALLON,
51 Penham Road, W14,
February 12.

How shall a child know its parent?

From Dr Alexina McWhinnie
Sir, Recent correspondence, and particularly your leader of February 10, "A matter of origins", has highlighted the parallel between AID and adoption on the question of the child's need to know about its origins. There is indeed a close parallel and, as in the early years of adoption practice, AID practice has really had the point of view of the childless couple or parents in mind rather than that of the child.

In fact much current discussion about the importance of secrecy and confidentiality in AID is reminiscent of what was reported to the various departmental committees on adoption in 1921 and 1925 and the Departmental Committee on Adoption Societies and Agencies in 1937. Since then research into adoption outcome has opened up the whole area of communication within adoptive families, or one could say between children and the adults who "parent" them but who are not their birth parents.

This research showed that adopted people, while indeed wanting factual details about their birth parents, viewed those who brought them up as their real parents, were thoughtfully loyal towards them, not wishing to distress them, yet were themselves distressed when the adult world in which they had been reared had not always been fully honest with them.

It emerged from the research that children in adoptive homes where their origins were made a secret frequently knew or suspected that they were adopted, not because of any direct verbal communication, but through all the non-verbal cues which happen in any family: the stray remark or intonation of a relative, the embarrassment of a parent at a simple question from the child.

The problem about advocating secrecy in AID is that the parents are then caught in a web of a lifetime of deceit, not only with their child but with the network of relatives and friends with whom they share a relationship with the child based on kinship. There may well be couples who can live happily with this deceit, but there will be many who will find themselves caught unawares by the everyday comments of relatives and friends about, for example, whether or not the child "takes after" which parent.

What little work has been done with AID families suggests that the shared secret either cements

withstand a close siege from the landward side only arose from the collapse of the British defence of Malaya because of shortcomings in equipment and training.

Thus the peculiarly enduring myth that no one had thought of the Japanese attacking Singapore to defend themselves against a Japanese Fleet and refused to believe in the possibility of a landborne invasion."

The Chiefs of Staff Committee's "Far East appreciation" of May, 1937, gave as a possible Japanese option "to land army forces in the Malay Peninsula to advance on Singapore. The Japanese may hope by the combined effect of attrition, air and land attack to force our garrison to surrender before our fleet can arrive to relieve it."

The COS report considered it possible that the Japanese would land in Siamese territory at Chumporn and Singora and move by land to seize the airfields at Victoria Point and Alor Star. This is broadly what the Japanese did in December, 1941, when the COS in 1937 then issued "advance through Malaya towards Singapore; close investment of Singapore Island, and command of naval base by artillery fire". They reckoned that if the Japanese could count on 70 days' delay before the arrival of a British Fleet, and if they "can establish themselves on the mainland, deliberate operations held for them the possibility of capturing the fortress". In fact they took Singapore in just under the 70 days.

Moreover, by 1940 it had become the established British strategy to found the defence of Singapore in defence of the Malayan Peninsula, and in particular the northern airfields. That was the plan which was in operation when the Japanese struck on December 8, 1941. The question of Singapore's ability to

charge of any educational system, in Ealing or elsewhere. Yours faithfully,
PETER CROFT,
Members' Room,
Town Hall, Ealing, W5.

Legal precedence

From the Reverend John Pollock
Sir, The Master of the Rolls recently broke a record. My great-grandfather, Lord Chief Baron Pollock, was the oldest common law judge ever to sit on the Bench when he retired in 1885 at the age of 82 years and nine months. Lord Denning has already exceeded him by three months; long may he continue.

The similarities between these eminent lawyers a century apart are interesting. Pollock's father was a saddler. Lord Denning's a draper. Both had two distinguished brothers: a field marshal and a chief justice (Pollock); a general and an admiral (Denning). Before being called to the Bar both were mathematicians. Best of all, as I see it, Lord Denning has for many years been president of the Lawyers' Christian Fellowship which (as the Lawyers' Prayer Union) was founded, with others, by the Chief Baron and his son, afterwards Lord Pollock, my grandfather.

Yours faithfully,
JOHN POLLOCK,
Rose Ash House,
South Molton, Devonshire.

Fall of Singapore

From Mr Correlli Barnett
Sir, Anthony Kemp (feature, February 15) is completely in error when he states in his article on Singapore that "We built our Maginot Line in Singapore to defend ourselves against a Japanese Fleet and refused to believe in the possibility of a landborne invasion."

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charge of any educational system, in Ealing or elsewhere. Yours faithfully,
PETER CROFT,
Members' Room,
Town Hall, Ealing, W5.

Ethnic schooling

From Councillor Peter Croft
Sir, Councillor Benn's letter to you (February 12) contains various minor errors that weaken his case, and one major one that destroys it. As one of the two councillors primarily responsible for ensuring the sale of an Ealing High School to the Church of England, I am in a reasonable position to point these out.

The opposition, so far from being "considerable", consisted of a few dozen vociferous ideologues. The "local community" was uninterested or in favour. The Church of England opposition consisted almost entirely of one incumbent who has since declared his intention of resigning orders to stand for Parliament in the Labour interest. Choice is most certainly extended in the school as far more sharply differentiated from other Ealing schools than it was before. And so one could proceed: there is hardly a sentence in Councillor Benn's letter that bears any relationship to reality.

The major flaw in his argument, however, is the amazing assertion that the purpose of education is to break down barriers of class, race, and so on. The purpose of education is to provide people with the skills and knowledge that they need for the best possible adult life. It is demonstrating his ignorance of this simple fact, Councillor Benn demonstrates the frightful danger of putting his party in

case for a missile

about it matched later by Bobby Charlton in his life. His memories and been his life. His memories and about it matched later by Bobby Charlton in his life. His memories and

Stock Exchange Prices

Late rally in gilts

ACCOUNT DAYS: Dealings Began Feb 15. Dealings End Feb 26. 6 Contango Day, Mar 1. Settlement Day, Mar 8.

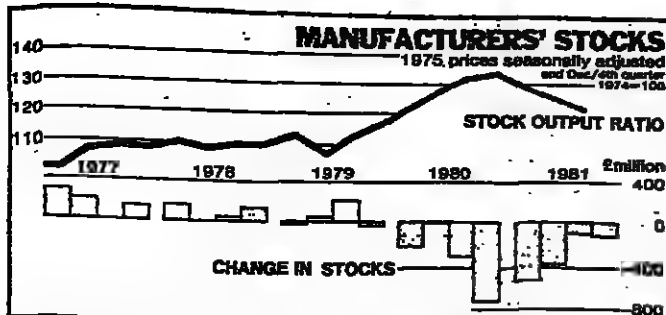
§ Forward hearings are permitted on two previous days.

BELL'S
SCOTCH WHISKY
BELL'S

[illegible]

BUSINESS NEWS

Destocking slows



Manufacturing industry cut back its total stocks more in the fourth quarter of last year than in the late summer, but the figures suggest that the worst of destocking is over. There was an increase in progress but a drop in raw materials and fuel held. Finished stocks also went down. The ratio between finished stocks and total output has now returned to more normal levels after the worst of the recession.

Insider dealing alleged

The Department of Trade is prosecuting an employee of merchant bankers Hill Samuel and her husband under the insider dealing sections of the 1980 Companies Act. Mrs Joyce Titheridge, of Sidcup, Kent, is alleged to have procured her husband, Mr John William Titheridge, to deal in the shares of Joseph Stocks & Sons. Mr Titheridge is charged with dealing in the shares of stocks and procuring another to deal in the securities. This is the first insider dealing case in England and the second in Britain.

Building society inquiry

The Blyth & Morpeth District Permanent Benefit Building Society which has one office in Blyth Northumberland is being investigated by the Registrar of Friendly Societies over discrepancies in its annual accounts. Mr Ron Devlin, the assistant registrar, said yesterday: "Steps have been taken to secure the safety of investors. The Northern Rock building society is managing affairs of the £1.5m Blyth & Morpeth while its future is decided. The amount in question is thought to be small about £16,000. The society's reserves are £130,000.

SE rule book hearing delayed

The Office of Fair Trading has asked for a further six-month extension to prepare its answer to the Stock Exchange's defence of its rule book. The exchange is being taken to the Restrictive Practices Court because its rules that jobbers may act only as principals and brokers as agents are alleged to represent a restrictive practice.

Morecambe gas

Plans for the development of British Gas Morecambe Bay field, 25 miles off the Lancashire coast, were approved yesterday by the Department of Energy. The £1,000m development will involve about six production platforms and a mobile jack-up drilling rig which will drill the first "slanted" wells in United Kingdom waters.

Nissan delays decision on UK car plant

By Edward Townsend, Industrial Correspondent

Nissan of Japan will probably not now make a decision about its proposed United Kingdom car manufacturing plant until the late spring. This further display of indecision by the Japanese company, which makes Datsun cars, came as a high level team of executives led by Mr Masataka Okuma, Nissan's executive vice president, discussed the project with Department of Industry officials in Whitehall yesterday.

Mr Patrick Jenkin, Secretary of State for Industry, was involved in the talks which centred on the amount of Government aid that might be available for the new operation and on the level of local content of Nissan's British-made cars.

Mr Okuma's team was told that while the Government welcomed the Nissan project, it would not be accepted by ministers at any price.

Nissan originally spoke of a United Kingdom investment of about £300m, but this has since been revised substantially after a reappraisal of model plans. The company is now believed to be considering building more than one model at its British factory, with a consequent increase in engine output.

Regional development grants and selective financial assistance could cover up to half of the proposed investment but, in return, the Government is seeking firm commitments from the Japanese on the level and definition of locally-made parts and components to be used in the cars.

Mr Jenkin and his colleagues have faced pressure

'Mass hysteria' at Amersham issue

By Our Financial Staff

New issue time in the City saw the nation's most optimistic investors scramble to meet yesterday's deadline for shares in the latest high technology offering from the Government: Amersham International.

Amersham makes radioactive isotopes for medicine and industry. But the fact that they probably could not understand that part of the prospectus did not stop an estimated 200,000 subscribers from proffering over £1,000m for just 50 million shares at 142p each.

A hardened merchant banker despairingly dismissed the stampede as "mass hysteria".

In the wake of British Aerospace (3 1/2 times oversubscribed), Cable & Wireless (5 1/2 times oversubscribed), and the private sector money broker Exco (75 times oversubscribed), the Amersham rush of 20 times is barely surprising.

But it has raised the same questions — particularly sensitive in the case of political sale — about whether this is the best way to go public.

It is argued by merchant banks and stock brokers that such a heavy oversubscription is evidence.

An investor who is allocated only 5 per cent of the shares for which he has

applied, and may have to wait up to a week for the share to be quoted, incurs heavy interest charges in the meantime.

The alternative of inviting investors to tender for shares in considered less preferable — if more decorous — on two grounds.

Fewer small investors are likely to apply or succeed, and it has never tried for so large an offering as Amersham's £50m. The lukewarm response to Habitat's £3.5m tender offer is cited in evidence.

But it is also admitted that the Government might gain more from a tender. Amersham is expected to net the Government £61m.

A public offering must be pitched a little below the expected trading price to attract subscriptions. This is of more obvious benefit to banks, stockbrokers, and jobbers than to the taxpayer from whom the Government is lifting an alleged burden.

One of the side effects of the huge over-subscription for Amersham was to create an enormous shortage of liquidity in the banking sector. The Bank of England put the total shortage on the day at £1,050m, of which about £800m was Amersham cheques that have gone through the town clearing system.

Business Editor, page 17

Backing for 2 1/2 year wage freeze

From Christopher Thomas, New York, Feb 18

Union leaders at the Ford Motor Company in Chicago today approved a wage and benefit agreement under which employees would accept a 2 1/2 year wage freeze in return for job security.

Local leaders of the United Auto Workers voted 132 to 12 today approved the deal. The next step to final ratification is a ballot of 150,000 union members to be completed by February 28.

The deal, which both the union and company negotiators called historic, aims to help Ford out of its financial plight after a three year sales slump.

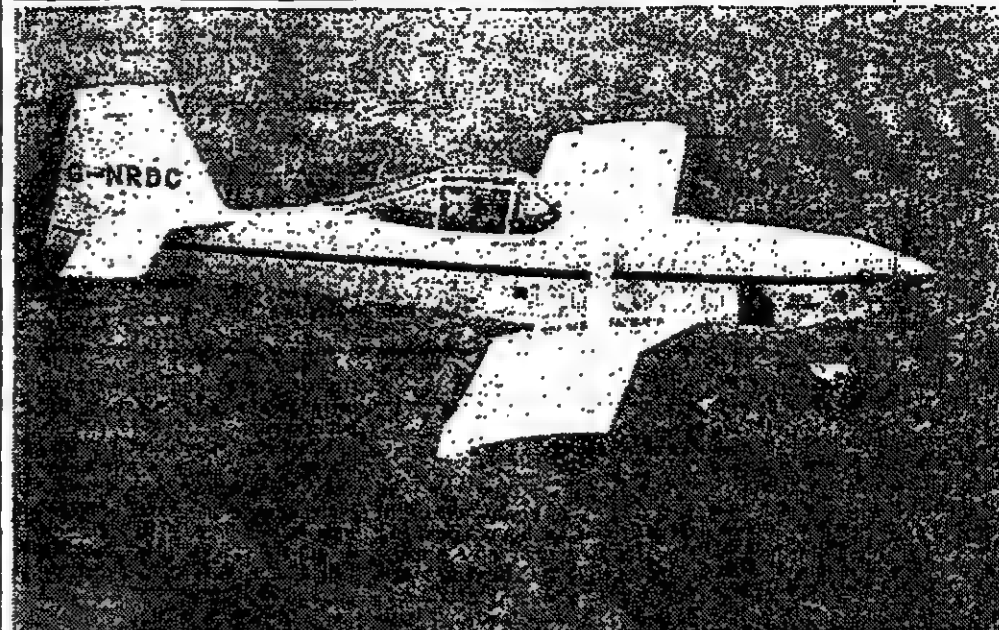
Some workers claim that too much has been given away in return for vague guarantees on job security. But with a third of the company's 106,000 production workers laid off, there are few signs of militancy.

The proposed agreement would eliminate the annual 3 per cent salary increase and reduce holidays. For nine months it would also freeze arrangements for automatic pay adjustments based on increases in the consumer price index.

The unions apparently felt that the company's position was so weak that substantial concessions were inevitable. The company has made cumulative losses of \$2,500m (£1,358m) in the past two years. The new two-year deal is due to begin in September. The United Auto Workers faces a similar crisis at General Motors.

TELECOM 'AHEAD OF MERCURY'

British Telecom intends to have its new high-speed inter-city telecommunications links in operation at least six months before the Mercury consortium completes its planned 800 mile fibre optic cabling network. The Telecom plan is based on one which has been employed in London for a year, called the London Overlay Network which has about 25 subscribers. The first link outside the capital will be with Birmingham in June. The Mercury is expected to revise its plans and possibly bring its schedule forward.



Chocks away for the Fieldmaster

A new British aircraft, the NDN Fieldmaster, was unveiled at Farnborough yesterday. It is the Western world's largest and most efficient agricultural aircraft, and the first plane to be designed in Britain for crop-spraying since the 1950s. The Fieldmaster has been developed by NDN Aircraft, the Isle of Wight

company founded by Mr Desmond Norrish with financial support from the British Technology Group. Mr Norrish is now seeking funds from the Government and private investors to start production of the Fieldmaster. Several potential sites are being considered, in Britain and overseas.

US to proceed with steel pricing cases

From Bailey Morris, Washington, Feb 18

The United States International Trade Commission voted today to go ahead with 38 of 92 unfair pricing cases filed against European steel-makers in nine countries. Six of the cases are against Britain.

In preliminary ruling, which represents a big setback to European steel companies, the ITC ruled there is enough evidence of injury to continue 38 of the investigations but not in 54 additional complaints filed by United States companies.

The continued cases cover altogether about two thirds of the total steel import volume flowing into the United States from European countries.

Mr Bill Airlberger, chairman of the ITC, said it is significant that the commission agreed to go ahead with a greater number of anti-dumping and unfair pricing cases than it did in May 1980, when only 29 cases were continued.

Mr Airlberger said the ruling meant the commission believes there are enough signs of injury to United States producers to "warrant further investigation". The ruling should by no means be read as a signal that the ITC intends to make a final

Money supply up 1.7 pc

By Our Economics Staff

The rundown of stocks, the biggest cause of recession over the past two years, almost came to an end in the fourth quarter of last year. At the same time, industry invested more in the fourth time it had boosted investment for nearly two years.

The figures show that industry continued to run down its stocks late last year but that retailers, either by design or because they ordered, increased their stocks substantially.

At the same time as these figures pointing to an end to stock induced recession were being published by the Government, the Bank of England issued new figures showing that bank lending stayed high in January, pushing up the money supply by 1.7 per cent because of bank lending of £1680m.

The January rise in sterling M3 means that the aggregate has grown at an annualized rate of 15 per cent since late February, the base month for the present target period.

Although this means that the Government is going to finish its financial year to April with sterling M3 growth well above its original 6-10 per cent target, it is probably hoping for appreciably better figures for the banking month to mid February. The figures should be helped by heavy flows of deferred tax payments to the Exchequer in the first half of the banking month.

M1, the narrow measure of money, rose by 1.8 per cent in January, an annualized rate of growth of 10 per cent since late February. PS2, the broad measure of private sector liquidity, expanded by 1.1 per cent giving an annualized rate growth over the last 11 months of 12 1/2 per cent.

There was a sharp fall of £920m in the United Kingdom residents' holdings of foreign currency deposits. Most of this probably reflected the conversion of these holdings into sterling to meet tax payments.

Heron raises offer for ACC to £49m

By Philip Robinson

Mr Gerald Ronson's Heron Corporation yesterday raised the stakes in the bitter battle with Mr Robert Holmes a Court over Associated Communications Corporation with a new offer that values the company at more than £49m.

Heron's second offer is raised 5p to 90p for the non-voting shares and by 20p to 360p for the voting stock. 65 per cent of which is promised to Mr Holmes a Court at 320p.

There are now three offers for the asset-rich empire covering entertainments to property. The first is from Mr Holmes a Court worth 65p for the non voting and 320p for the voting. The second and concurrent bid announced last weekend, is also from Mr Holmes a Court and offers a conditional 85p for the non voting shares and 340p for the voting shares — which matched Mr Ronson's offer — and the new higher price from Mr Ronson announced yesterday lunch-time.

As the offer was made,

Heron was in the Appeal Court on the fourth day of its attempts to block the transfer of shares owned by ACC directors to Mr Holmes a Court, which will give him control.

It emerged in court that of the 10 ACC directors, Lord Matthews and Sir Leo Pliatsky had not signed the recent undertakings of support for Mr Holmes a Court's original bid, but had separately confirmed the agreement to sell him their shares.

The Stock Exchange is conducting a full investigation into Euroflame Holdings, the Unlisted Securities Market stock which it suspended on Monday pending clarification of the company's position.

Euroflame was brought to market by the small issuing house Securities, Tring Hall last March forecasting profits of £35,000. On New Year's Eve it announced it would make a substantial loss, not pay a dividend and had ordered an accountants' report into the company's finances.

European ships at risk

North European shipping fleets will be reduced still further as owners succumb to growing competition from low cost companies in the Far East.

High manpower costs have become crucial for European shipowners. For some merchant ships, especially bulk carriers, crewing costs are now three times higher than for similar ships operated by companies in the Far East and India.

A report published yesterday by H. P. Drewry, the shipping consultants, said: "As the current shipping

recession deepens during 1982 more and more North European shipping companies will be unable to compete under their own flag with their own nationals as crew."

High crew costs, tax and administrative costs have led to ships operating under some European flags to become as expensive as American-operated vessels.

European bulk carrier operators are attempting to reduce their costs either by reducing crew levels or by "reflagging" — transferring registry of their vessels to countries with lower costs.

Clearers to pay £300,000 levy

Protection for bank deposits

By Peter Wilson-Smith, Banking Correspondent

A fund to protect depositors in the event of a banking crash is to be set up. Mr Jack Bruce, Economic Secretary to the Treasury, said in reply to a written parliamentary question yesterday that the Deposit Protection Scheme will come into force from today.

The scheme, which has met strong opposition in the past from the banks, was written into the 1979 Banking Act but implementation was delayed until the Bank of England had finished licensing banks and deposit-taking institutions as required under the Banking Act.

The fund of between £5m and £6m will protect depositors on up to 75 per cent of

the first £10,000 placed with bank or recognised bank or licensed deposit-taking institutions.

The limit has been set to encourage individuals to be prudent in where they put their money. Sums above £10,000 will not be covered by the scheme.

The money will be raised by a levy on banks and deposit-takers with an initial minimum of £2,500 and a maximum initial contribution of £300,000 from the big clearing banks.

The scheme will be administered by a newly-formed Deposit Protection Board which will be able to make further levies up to a maxi-

mum of £300,000 although no bank can be made to contribute more than 0.3 per cent of its deposits in total.

The big banks objected to the scheme initially because they felt they would be paying for the shortcomings of smaller banks. They also complained that because the building societies, which now have a bigger share of personal sector deposits that the banks, are not covered by the Banking Act so do not have to contribute to the fund.

However the building societies told the Government last summer that they would bail out any member society which ran into trouble.

MARKET SUMMARY

Late dash for Amersham

LONDON EXCHANGE

FT Index 562.2, up 1.4.
FT 100 Index 65.55, up 0.21.
FT All-Share 325.09, up 0.12.
Bargains 17,986.

There was standing room only in the stock exchange today as investors made a last-minute dash to lodge their applications for shares in Amersham International.

Pundits estimated that the offer for £50m worth of shares would be oversubscribed 20 times with an estimated £1,300m offered by investors.

As a result business in the remainder of the equity market remained low key with prices drifting on lack of interest. A rally on Wall Street early on provided some comfort with the FT index closing 1.4 down at 562.2, after being 3.3 down at 5pm.

Heavy selling of several blue chips did little to help matters. Blue Circle 14p to 50p. Brokers Scrimgeour Kemp Gee are recommending investors to sell about £5m after the devaluation of the Chilean peso. Profits from Chile last year were about £17m.

Turner & Newall, down 8p to 99p, was another weak market as brokers Hoare Gossett downgraded profits from £19m to £16m against £13m last time.

Hoare have based their assessment on recent poor figures from Philip A Hunt Corp, the group's US subsidiary, and the latest turn of events in Zimbabwe.

Chubb was steady at 113p as a line of 200,000 shares went through the market. Takeover favourite Booker McDonald rose 2p to 73p amid high turnover. A put-through was completed in 1.3m shares with another buyer picking up 1.5m later in the day.

OTHER EXCHANGES

Tokyo: Nikkei Dow Jones Average 7,683.76 up 39.7
Hongkong: Hang Seng Index 1,257.94 up 24.48

CURRENCIES

● Lower Eurodollar deposit rates, an easier Fed funds rate and unconfirmed rumours that President Reagan was planning defence cuts weakened the dollar.

LONDON CLOSE

STERLING
£1,852.20 up 165 points
Index 91.7 unchanged
DM 4.3850
Fr.F. 11.1600
Yen 435.50
DOLLAR
Index 112.7 down 0.3
DM 2.3787 down 215 pts
30LD
£369.75 down 33.25

TODAY

300s domestic product, 4th quarter prelim.
Company results: Half-yearly — J&F and Co, Television, Thompson Secured Growth. Finals — Kennedy Brookes, Lloyds Bank, F Miller (Textile), Phoenix Mining and Finance, Scottish Joint Investors, Tace, Walsams.

COMMODITIES

● The afternoon tin market featured heavy borrowing of cash metal for one day at the £120 limit premium set by the LME committee, on short positions maturing, largely as a result of heavy forward selling to the market's main buyer during late November.

One party in particular was involved in about half the 2,000 tonnes borrowed, which return was lent by the operator responsible for boosting prices by over £2,000 since last July.

Three months metal fluctuated narrowly to finish £10 higher at £7,880.

The morning market saw the backwardation for cash to three months metal narrowing slightly to £95. Cash metal traded from £8,930 down to £8,850 in the rings while three months fell to £7,850 under before short covering reversed the trend to £7,890 on the curb.

MONEY MARKETS

The Bank provided a near-record £1,144m assistance, including £388m lent direct to the discount houses at 14 per cent and the Amersham pay-over accounted for £800m of the estimated £1,050m shortage.

Domestic Rates:
Base rates 14%
3-month interbank 14 1/4%-14 1/2%
Euro-Currency rates
3-month dollar 16-16 1/2%
3-month DM 10 1/4%-10 1/2%
3 months Fr.F. 16 1/4%-16 1/2%

BUSINESS NEWS/COMPANIES AND MARKET REPORTS

Uneasiness over gold... anxiety over engineering

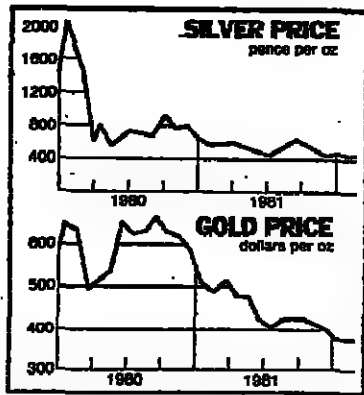
Selling by Russians hits price

A nervous gold market was asking yesterday who is going to "do a Joe Granville" on gold after prices fell heavily on reports of Russian sales, and panic small investors (Sally White writes). Technically it is possible for the chartists to see a fall back to the \$250 level, although the pattern of trading at present is for small falls and then rallies.

Gold had been trading fairly happily for the last few weeks about the \$370 or \$380 level. Dealers have been made nervous by selling by the Singapore central bank last week, which put a lot of physical gold on the market. Then the Zurich market saw heavy sales starting around 9 o'clock yesterday morning by the Russians that dealers said continued for about 2 hours. That took price down to a low of around \$366.

Fundamentals on gold are good. Industrial demand is taking up supplies put on to the market. The latest report from J. Aron from the United States gold house, is that supplies are likely to remain tight relative to demand in 1982 as a whole.

But there has not been a



dramatic sell-off in gold. Overhanging the market is all the gold that so many rich investors in the Middle East bought after the two big rises in oil prices. Far East buyers took in the gold that was sold in panic by small investors when the price soared to \$850 in January 1980. Some of these holders could soon become disenchanted, and start to sell.

Gold has come down from the high ratios is used to have against the oil price. After that, much more recently, it seemed to have been steadied by silver. But now silver itself has been looking weaker.

"The trouble is we are now in the hands of the chartists," Mr Julian Baring, of James Capel the stockbrokers, said. As a house the firm has been saying for some little time now that even given

investors were happy with the price of gold, gold mining shares were looking too high. While he is not saying that prices will immediately fall, he would be much happier if the shares were 20 per cent or so lower.

There are a number of reasons for being nervous about the gold market. Economists and bankers are still looking for much higher interest rates in the United States, some to a level above last year's record. Investors have been switching their money into dollars and dollar instruments, hoping to benefit from the high yields and also capital gain. High interest rates in the United States usually depresses gold and other dollar dominated commodities, and restricts margin trading.

Another problem is not so much the gold that the Russians sell, but the psychological impact of their sudden descent on the markets. Usually the Russians make their sales when the market is looking fairly resilient, but when other large physical holders are also selling, then gloom prevails.

The next chart point is a long way down, and the price has to go through the \$350 and \$300. A lot could happen before then. As one chartist said: "President Reagan could do a U-turn, and we would be back to low U.S. interest rates." Meanwhile it is not just the chartists who are watching the \$350 level.

No indication of an upturn

Market analysts who are watching the mechanical engineering sector for signs of industrial recovery are becoming increasingly anxious, Drew Johnston writes.

The depressed aerospace industry has caused much concern because 25 per cent of mechanical engineering profits come from there. Excess aircraft capacity in the civil market is matched by the downturn in the demand for military aircraft.

Similarly, the motor industry which was expected early in the new year. Some analysts believe that the market's present caution will be relieved to some extent when this month's industrial performance figures are published. Other analysts consider that renewed pessimism is feeding through to the market from industrial finance directors. The theory is that the rail strikes and the bad weather prevented talks between the market and industry. Now, the message reaching the market is that there is no profit increase in high volume production levels. Profits only increase where engineering companies have trimmed their sails

and streamlined the production process. Analysts believe export markets have been holding up for the engineers, though profit margins on them are restricted.

Hawker Siddeley, which has been selling heavily to the Third World and has diversified itself of its aerospace interests, is stimulating interest.

The market expects a modest profits increase from £113m to about £120m, but the shares have held up well against companies such as Dowty where the ordinary shares fell to about half their recent high. Hawker Siddeley shares have been on the slide in the last few weeks, in common with the slump in the sector, but reaction seems to have set in and the share price has been showing some good two-way trade. The share is favoured for its long-term prospects, especially in the light of poor performances in the rest of the sector.

Vickers, often regarded as in the same mould as Hawker, has an above average yield of 10.3 per cent and price earnings ratio of 6.5.

Anderson Strathclyde is well-regarded, but analysts are unhappy with companies such as Tube Investments, Babcock International and Lucas Industries. John Brown has recovered from the traumas of last year, according to last month's half-year figures. Its gas turbine division is

expected to contribute to good figures if its planned Russian gas pipeline project goes ahead. The dividend yield is approaching 10 per cent.

IMI cheerful prospects

Birmingham-based IMI is as good an indicator of the wealth of industrial Britain as any company. Building, aerospace, textiles, motors: there are few sectors to which IMI does not supply widgets, Sally White writes.

So far, this year there is no pick-up to report. Heading equipment is seeing its usual cyclical demand, boosted somewhat by the very cold weather. Aerospace, on the other hand is down.

"Things are looking cheerful for us. In fact, I have not felt so cheerful for a long time. But that is because our output per man is up. We have had to make a lot of people redundant," the director Mr Bill Britain said. But as far as being an indicator he has to report that the economy seems flat.

Correction

In the issue of February 11, Lord Mait was incorrectly referred to as chairman of Peachey Properties. Sir Richard Ball took over from Lord Mait last year.

INTERNATIONAL



CHINA
China has so far ordered a total of 1.01 million tonnes of rolled steel from six Japanese steel manufacturers for shipment up to end-June this year. China agreed initially to buy 700,000 tonnes for first-half year shipment in negotiations in Peking last November.

China and Czechoslovakia have signed a 1982 trade agreement. The value of last year's trade were not reported and there was no immediate comment from the Czechoslovakian embassy.

JAPAN
About 12 Japanese video tape recorder and tape manufacturers have agreed to unify standards of eight-hour playing cassette tapes for VHS-format video recorders. © Toyo Kagaku said its Mazda car production in January totalled 87,459 units, down 10.9 per cent from a year earlier for the first year-to-year decline in five years.

SPAIN
Spain's olive oil exports dropped 58.49 per cent in 1981, compared with 1980. The fall has been blamed on the poisoned cooking oil scandal in Spain that has claimed 222 deaths since it was first discovered in May last year.

TURKEY
Turkey's exports rose by more than 61 per cent in 1981, the first full year of military rule. Imports rose by 19 per cent. The significant rise in exports was encouraged by tax inducements and ready markets in the Arab world.

UNITED STATES
Initial claims for state unemployment insurance benefits fell to a seasonally adjusted total of 560,000 during the week of February 8 from 591,000 in the week of January 30.

INDIA
A 32-day-old strike by more than 200,000 textile workers in Bombay is now threatening to disrupt India's textile exports. The stoppage is caused by a wage dispute.

AUSTRALIA
The price index of articles produced by manufacturing industry increased by 6.8 per cent in the 12 months to December 1981, down from 11.8 per cent in the preceding year.

HALLIDAY SIMPSON

Exchange inquiry continues

The Stock Exchange said yesterday that its internal inquiries into what has become known as the Halliday, Simpson affair are still continuing.

The probe into the business conduct of the former Manchester-based stockbroker firm which the Exchange suspended last summer and which subsequently decided to close, was completed just before Christmas.

Disciplinary proceedings are being taken against the firm's partners. The Exchange has declined to give its internal report to the Director of Public Prosecutions until these proceedings are complete.

Yesterday, Sir Nicholas Goodison, Stock Exchange chairman declined to acknowledge that disciplinary hearings, thought to be set for next month, were taking place.

But added: "Our investigations are not finished. We have a number of leads which have to be followed up. There are a number of outside people involved, but that does not mean to say there is any supposition that they have done anything wrong."

"It's just that one wants to get to the bottom of any patterns of dealings."

He said he had not spoken

KITCHEN QUEEN

Buyout hope

Receivers called in to Kitchen Queen said last night that they had been speaking to a number of parties interested in buying the furniture group which collapsed on Wednesday with total debts of about £5m.

Mr Harold Brierley, of Spicer and Pegler, the accountants, who were called in by National Westminster Bank, said some of the 125 staff had already been made redundant but there had been an encouraging amount of interest in the group's dozen stores. These are believed to have a realisable value sufficient to meet a large part of the £5m owed to the banks and preferred creditors.

Mr Stephen Boler, the 36-year-old Manchester businessman who bought Kitchen Queen for the Mobern Group for £2.1m in June 1980, when it had 36 stores, has been selling them over

the period to reduce borrowings. He is now assisting the receivers.

Kitchen Queen which was brought to market by Halliday, Simpson, Manchester stockbrokers, was taken over by Mobern directors when Mr Neville Johnson, Kitchen Queen's chairman, suddenly resigned and sold most of his shares after the group announced an unexpected loss.

Losses at the time Mr Boler bought Kitchen Queen were said to be unquantifiable. Mr Brierley said yesterday that losses when he too over were substantial.

OZALID

More losses

Ozalid, the reprographic group whose directors were heavily criticised in a Department of Trade report in 1980, has plunged deeper into a loss.

In the year to November, Ozalid made a pretax loss of £4.9m compared with £1.5m

Latest results

Company Name	Turnover £m	Profit £m	Earnings per share	Dy. pence	Pay date	Year's total
H J Baldwin (1)	1,151.26	0.094(0.15)	1.61(2.03)	—	—	(1.0)
Chan Isles Inv (7)	—	0.41(0.39)	—	40.37(5.8)	28/4	40.37(5.8)
Goode Durrant (7)	81,748.04	8,311.73	8,16(8.75)	30/3	30/3	8,16(8.75)
Metal Bulletin (7)	4,043.43	0.81(0.73)	9.91(8.75)	3.5	—	6.5(5)
Newbold & Birt (7)	11(1.57)	0.42(0.34)	6.6(5.3)	2.92(3.2)	2/4	3.7(3.7)
Oscana Cons (1)	—	0.039(0.41)	1.35(1.29)	—	—	(1.2)
Wm Ransom (1)	1,511.34	0.15(0.12)	4.93(5.07)	1.5(1.5)	7/4	(5.67)
Reliance Intl (7)	10,189.58	0.11(0.03)	—	0.70(7.7)	4/5	(1.54)
W Whittingham (7)	27,627.54	2,862.84	40.43(1.66)	4.7(4.5)	30/4	7(6.75)
W Young (1)	1,821.53	0.039(0.021)	4.82(2.4)	—	—	(—)

Dividends in this table are shown net of tax on pretax profit. Where shown in brackets figures are shown on a gross basis. To establish gross multiply the net dividend by 1.425. Profits are shown pretax and earnings are net. —=Gross payments. —=Loss.

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LAGANVALE ESTATE

Takeover off

Laganvale Estate, the Belfast-based property company in which Mr Jim Slater has a substantial stake, will not now be taken over by finance group Sturila Holdings. After talks between the two groups the board has withdrawn its recommendation of the £4.5m offer announced by Sturila.

In its offer for Laganvale last December, Sturila said it would give the finance group an attractive property portfolio, but Mr Robert Knight, chairman of Sturila, said that after a meeting on Wednesday he felt that the heat had gone out of the proposed deal. Sturila has decided to withdraw its offer.

Instead Sturila, which forecast profits of £1.2m for the 15 months to April, plans a rights issue on terms which it simply says will be favourable.

The profit forecast was part of an agreement by the two parties made on January 19, but the Sturila forecast did not meet a number of requirements laid down by the Laganvale board.

During the negotiations, Laganvale's main asset, Mire House, Brighton, was revealed at £3.5m against a book value of £1.9m and a July 1981 valuation of £3.4m.

GROSVENOR

£7m injection

Private capital of £7m is being injected into Grosvenor Development Capital, the company set up a year ago by the National Enterprise Board to help small, growing businesses.

British Technology Group, which brought together the activities of the NEB and National Research Development Corporation, said that British Rail, Pearson and County Bank on behalf of clients, and Equity Capital for industry would put up

CAPITAL GAINS

Britain's powerful farm lobby is expected to react angrily to yesterday's court decision that paper profits made on the sale of moveable equipment such as harvesters, are liable to capital gains tax.

In the Chancery division, Mr Justice Nourse upheld a claim by the Inland Revenue that rollover relief provisions in the 1979 Capital Gains Tax Act apply only to fixed machinery.

The taxpayers, a four-man company of plant hire contractors from Blaenau Ffestiniog, in Snowdonia, argued that the sale of £30,000 worth of plant excavators in order to buy new, more expensive, machines was exempt from the tax because of the rollover relief rules.

These allow the apparent gains on the sale of business assets to be rolled-over if new assets are bought to carry on a business.

The rules say that qualifying assets are: "Fixed plant or machinery which does not form part of a building or of a permanent or semi-permanent building in the nature of a building."

Mr David Farry, barrister for the Welsh plant hire, said his clients had not ruled out the possibility of an appeal.

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75 62 Airspring Group 70 — 4.7 6.7 11.1 —

51 33 Armitage & Rhodes 44 — 4.3 9.8 3.7 8.3

205 187 Bardon Hill 204 — 9.7 1.8 9.9 12.1

104 77 Deborah Services 77 — 6.0 7.8 3.8 7.2

130 97 Frank Horsell 130 — 6.4 4.9 11.7 24.1

81 39 Frederick Parker 81 +1 1.7 2.1 35.2 —

78 46 George Blar 51 +1 — — — —

102 53 Ind. Prec. Castings 98 — 7.3 7.6 6.9 10.4

105 106 Isls. Conv. Pref. 105 — 15.7 15.0 — —

113 94 Jackson Group 94 — 7.0 7.4 3.0 6.7

130 108 James Burroughs 112 — 8.7 12.8 8.2 10.3

334 250 Robert Jenkins 254 — 31.3 12.3 3.5 9.0

59 51 Scruttons "A" 56 — 5.3 9.5 8.6 8.0

222 164 Torday & Carlisle 164 — 10.7 6.5 5.3 9.9

15 10 Twinklark Ord 13% +4 — — — —

80 65 Twinklark 15% ULS 77 +1 15.0 19.5 — —

44 27 Unilock Holdings 27 — 3.0 11.1 4.8 8.2

103 75 Walter Alexander 73nd — 8.4 8.8 4.8 8.5

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BUSINESS NEWS / FOCUS AND COMMENT

PEOPLE

Richardson: a billion pound man

I say in the confidence of offending nearly everyone that one man stands behind the staggering way more than £1,000m has been put down on American International. This is the highest of high technology new issues in radio chemistry, with the ultimate in investment accolades — it is unique. The man is Michael Richardson 56, of Rothchilds, recruited from the bluest of blue blooded stockbrokers, Cazenove. As it happens Cazenove are brokers to this lucrative issue.

Modestly Richardson denies that the offer for sale (which ensures that the public as well as a few institutions end up owning Amersham) was ideal or even peculiarly his idea.

But his success does highlight the way Rothchild, Morgan Grenfell and Warburg have come to the top of the new issue heap virtually together.

Coincidentally or not, they all recruited top stock brokers to beef up this side of their business. There is Richardson at Rothchilds, Bill Mackworth-Young (formerly of Rowe and Pitman) is at Morgan Grenfell, and Simon Garnon, who used to be at Scrimgeour helps out at Warburg. Other merchant banks with a taste for new issue business please note.



"Of course he's overweight, poor mite. It's all that nasty lead he gets out of the petrol!"

Where was Heron Corporation's chief executive Gerald Ronson when news of his bigger offer for ACC was announced yesterday?

He was not behind his desk but amid a bevy of balloons and go-go dancers at the Mayfair Theatre. There Heron's American business partners the video game manufacturer Atari was announcing its 1982 plans for this country.

Sy Grann is no lounge lizard

A small factory estate on the outskirts of Harlow has become the centre of the fashion-conscious shoe trade. For Sy Grann, who is managing director of BOBA UK, a fast-growing international freight forwarding company, has discovered a source for lizard skins. Not just ordinary skins, but the rare teju lizard skins.

When Mr Grann recently found a source for baby crocodile skins, his customer was so pleased he gave him a pair of hand-made baby crocodile skin shoes which cost around £320 a pair.

The Stock Exchange is chuckling over the story of the man who wrote to a newspaper: "I suffer from dry eyes (inability to shed tears). What do you recommend?" Reply: "See your doctor. If no success, see your Tax Inspector!"

Computers for tout le monde

If you cannot beat them, join them. That appears to be the conclusion drawn by France's Jean-Jacques Servan-Schreiber to the problem of computers increasing in taking over jobs presently carried out by human beings.

His World Centre for Micro-computers and Human Resources is due to open shortly in Paris. It will develop a small easy-to-use micro-computer, expected to sell at between £40 and £80, and examine how ordinary people can be taught to use it.

Servan-Schreiber is best known abroad for the book he brought out in the 1960's on American multinationals in Europe "The American Challenge".

Peter Wainwright

NEW APPOINTMENTS

Dr S. J. Ford has been appointed managing director of The British Aluminium Company. He succeeds Mr L. S. F. Charles, who retired but remains on the board as a non-executive director.

Mr John Robertshaw chairman of United Scientific Holdings, has been appointed director of The Technology and Innovation (TIE) and chairman of its financial panel.

Sir John Prideaux has been appointed to the board of Dow Scandia Banking Corporation.

Letting another watchdog loose on state industries



The controller, Mr Gordon Downey, (left) cannot get access to nationalised industry accounts. Mr Joel Barnett thinks it vital he is given more power.

The clash between ministers and nearly 300 MPs over greater parliamentary scrutiny of how nationalised industries spend the taxpayers' money is likely to be resolved in Cabinet committee within the next two weeks. The issue of whether or not the Comptroller and Auditor General should examine nationalised industry accounts has caused a good deal of heat between backbenchers and ministers and is regarded on both sides as being of vital constitutional importance.

The Comptroller and Auditor General's duty is to audit public accounts on behalf of Parliament. But under the existing legislation the Comptroller, Mr Gordon Downey, has no direct access to the state industries. So in practice his oversight of public money covers only about 60 per cent of the money spent each year.

Although the House of Commons Public Accounts Committee has been calling for a more independent role for the Comptroller and Auditor General since the mid-Seventies, anger at what backbenchers believe is a high-handed view of ministerial responsibility has largely been from a Government White Paper last year on how to increase the efficiency of the public sector, and a Commons debate on the Public Accounts Committee 1981 report last November.

Basically the White Paper rejected the PAC's call for the Comptroller and Auditor General to be appointed by the Queen on the advice of Parliament rather than the Prime Minister and for him to conduct efficiency audits on the nationalised industry sector.

Instead, the Government proposed wider powers for the Monopolies and Mergers Commission which would be used as the main external agency for scrutinising the nationalised industries. There would be six state industry references a year rather than the present four so that each industry would be subject to a full scrutiny once every four years.

Additionally, professional advisers including management consultants would be brought in to help the staff of the MMC. The Commission's reports would continue to be published and in the interests of Parliament, said Mr Nicholas Ridley, Financial Secretary to the Treasury, the industry's response to the report would also be available within three or four months of publication.

However this failed to satisfy many MPs (of all

parties) who saw the issue as the latest chapter in the battle between ministerial prerogative and Parliament's power to monitor and approve public spending. One Conservative MP, Sir Albert Costa, went so far as to say the Government was fortunate there was no vote because for the first time in his life he would have voted against it.

Mr Edward Du Cann, chairman of the powerful Treasury and Civil Services Committee and a former chairman of the PAC said in the November debate that MPs should be ashamed that more types of public expenditure escaped audit than in any other comparable country in the world.

The White Paper, Mr Du Cann said, was a "timid, trivial and disappointing document".

Such was the outcry against the Government's steadfast refusal to allow the Comptroller and Auditor to conduct a full audit that 287 MPs signed an early day motion last December supporting the PAC. This pressure forced the Leader of the Commons Mr Francis Pym to say the Government would reconsider. The Chancellor promised the House a statement early this year.

But in recent weeks, the views of ministers, especially of the Secretary of State for Energy Mr Nigel Lawson,

Industry Secretary Mr Patrick Jenkin and Mr David Howell, the Transport Minister, have hardened around the major principle of ministerial responsibility. The Government was not prepared to let the PAC and the Comptroller and Auditor General loose among the books of the nationalised industries. Morale and efficiency would be damaged, the management would have less time to run their businesses effectively and risk-taking would be kept to a minimum if every move came under the eagle eye of Parliament and an industrial ombudsman.

Those views are mirrored by the Nationalised Industries Chairman's Group (NICG). Its director Mr Jim Driscoll admits the principle of public accountability, but adds there is a need to strike a balance between the public's requirement and the demands of running a business.

Already, the industries are subject to parliamentary questions, examination by the Select Committee on Industry, consumer councils, letters from MPs to chairmen which are given high priority, and audits by external firms of accountants. Additionally the NICG approved, albeit in a lukewarm fashion, the extended role of the Monopolies and Mergers Commission.

"Enough is enough," says Mr Driscoll. "The present arrangements for looking at our books are perfectly satisfactory. There is no benefit in bringing in the Comptroller and Auditor General into the nationalised industries' accounts. He has insufficient experience in handling the affairs of a commercial, public organisation."

In the battle of the Titans it is best to keep your head below the parapet.

"The Parliamentary champion of reform, Mr Joel Barnett, formerly Chief Secretary to the Treasury clearly feels the issue is of major importance to Parliament."

While agreeing with the Treasury's guiding principles of ministerial responsibility, high standards of financial stewardship and prudence in handling public funds, Mr Barnett believes ministerial responsibility is not a real substitute for parliamentary accountability.

"The Government will be seriously miscalculating if it resists the proposals of 287 MPs from all parties, including former Tory ministers and the leaders of the Liberals and Social Democrats."

"If the Government is not sensible on this matter, then there will be fierce resistance from backbenchers."

It seems unlikely that Mr

Barnett, Mr Du Cann and their supporters will be fully satisfied in their desire for a national audit office (which could be headed by the Comptroller and Auditor General) and the right of Parliament rather than the Prime Minister to recommend the appointment to the Crown of the Comptroller and Auditor General. But neither will ministers win their battle to keep full control of the nationalised industries' accounts within their departments.

For it appears that the Treasury, which opposed the PAC last November, is now working out a compromise. Although ministers could not agree on a solution to the issue in the Cabinets E (which was abolished last week, discussion is not at an end).

Talks will be held between the Treasury, ministers and probably Mr Barnett and his PAC colleagues before the issue goes into the E committee within the next two weeks.

There are two possible compromises. First, the Comptroller and Auditor General might be involved in nationalised industries audits as a back-up service to the Monopolies and Mergers Commission.

Second, the House of Commons Select Committee on Nationalised Industries could be resurrected. This was abolished in 1979 to make way for a general-purpose Industry and Trade Committee.

Whether these compromises would satisfy the PAC and the backbenchers who signed the motion criticising the White Paper is another matter. The NICG may feel that the PAC proposals in favour of the Comptroller and Auditor General involve more time-consuming appearances and preparations in the papers which would duplicate current practice.

But Mr Barnett and his colleagues have the overriding principle of public accountability for public money behind them.

And they could have an ally in the form of the Prime Minister.

Mrs Thatcher is keen to make the public sector more efficient. The Think Tank, which reported on this matter last year, has been instructed to keep a watching brief on ways to improve the performance of the nationalised industries. Such support could be decisive in the battle between Parliament and Government.

Kevin Page

Why the robot army is smaller than it seems

TECHNOLOGY: AUTOMATION

By Clive Cookson

Japan already has 100,000 industrial robots and the Soviet Union will have 100,000 by 1985. Even France boasts 3,000 robots. But backward Britain can claim only a few hundred by the best estimate.

That dismal impression of this country's performance in robotics could have been picked up by a casual (and, admittedly, selective) reading of newspaper reports over the past few months. The reality, as usual, is not nearly so depressing.

The main trouble is that some countries, in the then-robotic era, were deliberately or otherwise, adopting a far wider definition of the term than the one recognised in Britain and the United States. The vast majority of the "100,000 robots" identified by a recent Japanese survey are either non-computerized "manual manipulators" operated directly by humans or simple "pick and place" machines following a fixed sequence of actions. Neither category should be dignified by the label "robot".

A true robot must be reprogrammable and must be able to manipulate and move a wide variety of objects through a variable series of movements. When it is no longer needed for one set of tasks, its electronic brain can be programmed to perform another sequence.

The Japanese may not have set out to overawe us with visions of a vast army of industrial robots; it could just be a genuine difference in terminology. But Mr Tom Brock, executive secretary of the British Robot Association (BRA), insists that the French have gone in for deliberate exaggeration, in pursuit of national glory. He quotes a recent industrial robots. "If you check with the French they will swear to their figures because they want to be Europe's number one in robots," Mr Brock said.

The BRA gives Britain a respectable fifth place in its annual census, announced last week, showed that the UK robot population increased by 90 per cent during 1981 and stood at 731 at the end of the year. First came Japan with 10,000 industrial robots, fol-



Getting to grips with automation — a Soviet robot designed for use in the injection moulding process on show at the recent Russian Economic Achievement Exhibition.

lowed by the United States (5,000), West Germany (2,300) and Sweden (1,700).

According to the BRA, Britain has moved ahead of its closest European rivals, France and Italy, despite the £8m that Renault has spent on robot research and development over the past six years. Olivetti's leading role in robot design, and Fiat's port parts or tools through a variable series of movements. When it is no longer needed for one set of tasks, its electronic brain can be programmed to perform another sequence.

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example, also ensures that Mitsubishi Motors' technological applications are not leaked to its rivals in other groups," the Inabucan report says.

In contradiction to the BRA, Inabucan states: "Despite these statistical uncertainties, it is quite clear that over half the robots working in the world today are in use in Japan."

The problem of secretiveness is of course far worse with the Soviet Union and Eastern Europe. The Russians are known to be making a major drive to install robots in their factories, to replace idle and unreliable Soviet workers as quickly as possible, but no one in the West has a reliable estimate of their success. Last week's claim by Novosti Press Agency that the USSR will have 100,000 robots by 1986 seems wildly optimistic. A reasonable estimate for the number of Soviet robots today would be 3,000.

When we look back from the perspective of the next century, we may decide that no company in the world in 1982 was using what we then understood by a robot. For the terminology is likely to move on with the technology, leaving behind today's extremely primitive "first generation" machines.

The "one-armed bandit" robots we use now are "blind, deaf, dumb devices screwed to the floor", to use the words of Mr Peter Davey

who runs the Science and Engineering Research Council's Industrial Robotics Initiative.

Today's industrial robot will perform exactly the same sequence of actions, regardless of circumstances, until a human reprogrammes it to do something different.

The second generation of machines, being developed in academic and industrial research laboratories around the world, will have the intelligence that many people associate with a true robot. They will have a sense of touch, sight and/or hearing and their behaviour will change automatically in response to signals.

Intelligent robots, with sensors and enough computing power to cope with disorder and variations in their work, should start to appear on factory floors in the United States and Japan within the next year or two. IBM's first commercial robot which may be unveiled at next month's Society of Manufacturing Engineers robots show in Detroit, is expected to be a major step in the direction of intelligence.

Britain's national research and development programme in industrial robotics is coordinated by the Science and Engineering Research Council (SERC), which will spend £1.1m this year supporting 22 research partnerships between industry and universities or polytechnics.

More pieces for the jigsaw

It has been something of a puzzle trying to reconcile the mid-winter fervour in industrial output with the recent buoyancy of bank lending — the latest figures putting the rise in the six weeks to mid-January at an uncomfortable £1,680m.

Part of the rise in bank-lending has, of course, been attributable to the sharp rise in mortgage lending by the banks, together with borrowing to finance tax payments deferred during the civil servants' dispute.

But after yesterday's figures for manufacturers' and distributors' stocks it would seem that a good deal of the rest can now be put down to a virtual end to destocking in the fourth quarter of last year.

None of this in any case gives us any definite evidence as to which way the economy is likely to move in the immediate future.

The overall destocking figure was helped considerably by retailers restocking. Are these latter stocks moving on to the consumer? Or do they represent involuntary stockholding following a bout of over-optimism by shops and stores?

five-year programme, to encourage British electronics research over a wide field from artificial intelligence to very large scale integration, seem close to winning the debate. But — contrary to some reports — the Government has yet to commit itself; a final go-ahead is unlikely before the summer.

The most important requirement of any programme is that it should be genuinely farsighted, like the Japanese effort. The greatest single handicap to technological progress in Britain has been the shortsighted reluctance of government and industry to respond to the inventiveness of researchers in universities and in companies' own laboratories.

Firms in this country are reluctant to look more than five years ahead when they make research and development decisions; their Japanese counterparts' research can extend over two decades. And public bodies can be just as blinkered.

If the fifth generation programme can stimulate firms like GEC and ICL and bureaucracies like the SERC and DoI to make a mental leap into the late 1990s, it will be tremendously valuable.

Investment With hindsight

At first sight the latest figures on capital spending make gloomy reading. Record spending by distributive and service industries in 1981 was not enough to outweigh a slump in fixed manufacturing investment of 17.4 per cent. Even including the booming leasing business, manufacturer's investment was down 13.4 per cent. The fall recorded for manufacturing, distributive and service industries as a whole was 4.6 per cent.

But a look back at past investment figures suggests that first impressions may be misleading. The statistics show a disconcerting tendency to improve with time.

Roger Nightingale, economic director of stockbrokers Hoare Govett, has been waging a one-man good news campaign (some hopeful Government ministers apart) on the British economy for some time. He points out that progress in the recent past always looks worse than in previous years because of data revisions, with capital spending figures a leading villain. The table suggests he may be right.

Whatever the reasons, if 1981 turns out like the two years before, the fall in investment may ultimately prove to have been very modest. If this is so, prospects for the economy could yet confound the pessimists.

B.O.P. A success

Bankers, industrialists and leading financiers gathered at the Mansion House in the City of London yesterday to applaud the apparent success of the Government's Business Opportunities Programme, the major public relations scheme in which ministers have attempted to increase small firms' awareness of state measures to help them.

Certainly, the figures seem to indicate a large measure of success. Since May, last year, more than 7,000 small firms and their advisers have attended government-inspired conferences and meetings around the country at which ministers have expounded the attractions of the 76 schemes which have been devised specifically to assist the small firms sector.

Among the most popular (particularly in the banking sector) has been the loan guarantee scheme.

According to Mr John MacGregor, the Industry Minister responsible for the programme, £80m of the £150m allocated to the loan guarantee scheme has now been taken up and the number of business failures among applicants is less than ten.

More than half of the 2,300 guarantees given so far have been for newly created businesses, a clear sign, said Mr Jenkin, that the scheme was plugging a gap in the system. He did not add, however, that the same businesses would have seen even more incentive announced in next month's Budget. Even so, the fact that some dynamism has been put into the process of making smaller businesses aware of the many schemes available to them must be considered an exercise that has been worthwhile.

CAPITAL SPENDING

% change on previous year	est 1979	1980	1981
1st	4.2	-0.05	-4.6
2nd	4.9	0.2	
3rd	7.1	-0.07	
4th	10.8	2.4	

Computers The long view

The Department of Industry and Science and Engineering Research Council are still arguing with computing experts from universities and industry over Britain's best response to Japan's grandiose "fifth generation" computer project. Proponents of a £250m

After the heavy staging of Amersham International and the likelihood of a hefty premium in first dealings next week, Mr Nigel Lawson, Secretary of State for Energy, may well be wondering how he would like to see the BNOC flotation carried out. Clearly there would be considerable embarrassment for the Government in being seen to sell off oil assets "too cheaply", particularly if overseas investors are to be allowed in on the issue. Yet there remains a considerable reluctance on the part of those involved in the City to come up with something appreciably better than we have seen in the cases of Amersham and British Aerospace.

Goode Durrant & Murray

Group plc

Chairman Lionel Robinson reports on the results to 31st October 1981

Pre-tax Profit £2,301,000 up 28%

- Shareholders' funds £11,373,000 up £1,663,000
- Net assets 45p per ordinary share up 7p
- UK housebuilding profit £710,000 up 37%
- Dividend increased from 15½% to 17½% covered 5.1 times
- Southern African profit £588,000 up 52%
- New Zealand departmental store profit £741,000 up 26%

By Peter Hill, Industrial Editor

interest rates were the main factor, economists said. They agreed that output was unlikely to show much improvement before the second quarter.

A quick rebound in sales, especially in cars and home appliances, appeared less likely after Wednesday's decision by leading banks to raise their prime lending rates to 17 per cent from 16½ per cent. The increase was the second since the start of the month, when the prime rate was 15 per cent.—AP—Dow Jones.

able to act on the trading floor.

COMMODITIES

	Higher grade	closed
	Afternoon	Higher
COPPER		
tinopol.		

WALL STREET

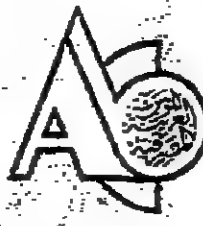
New York, Feb. 18. — The stock market lost momentum

The bonds, convertible as of May 21, will be floated in all world markets except the United States and be listed on the Frankfurt Stock Exchange. Other terms will be decided on March 1.

lower after the press conference, then inched higher close up 1.33 at 828.9. Advances nosed past declines by about 730 to 710 as volume swelled to some million shares from 47. million yesterday.

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	1981	%	1980	%
France	809.0	43	698.5	39
Export	1,077.4	57	1,070.8	61
Total	1,886.4	100	1,769.3	100

	1981	%	1980	%
France	809.0	43	698.5	39
Export	1,077.4	57	1,070.8	61
Total	1,886.4	100	1,769.3	100

Our sales in the home market have increased by 15.8% compared with last year.

The volume of our export sales has been affected by measures taken to reduce stocks held by our subsidiary companies to a lower level than at the end of 1980.

A new Little Owl can take large step on road back to the top

By Michael Seely

The mystery surrounding Little Owl should be solved at Newcastle this afternoon when the hero of last season's Cheltenham Gold Cup attempts to defy top weight in the Trout Steeplechase. This is the only piece of the puzzle missing from the puzzle of this year's big race at the National Hunt Festival. Of the market leaders, Night Nurse, Royal Bond and Venture to Cognac have already shown their way being and Diamond Edge was by no means disgraced when beaten by Royal Bond at Newbury last Saturday. But Little Owl has a reputation to restore to himself.

On his first appearance at Cheltenham in December Little Owl was racing with all his old zest when falling in the first round by Royal Bond. He was then pulled up after the bit had slipped through his mouth in that controversial affair at Newbury. Park in which Venture to Cognac beat Great Dane. Then on his first completed outing of the season at Ascot last week, Little Owl finished a well-beaten second to Pezay Sandy. There have been a better performance than it looked as the first home, Cavity Hunter, Griza. Sugarally were all strong fancied highweights.

However, there can be excuses if Little Owl fails to make a bold showing today. John O'Neill, who trained the horse, said after his fall at Ascot that he was on board Silent Valley. But this useful stayer has yet to show his ability that saw him so narrowly defeated by the ill-fated Bright Highway in the 1980 Hennessy Cognac Gold Cup.

Those who are at the peak of their form on the other hand are down towards the bottom of the long handicap. The Scottish trained Pezay Sandy, who has won by 10 lengths in the Welsh Grand National, but is carrying 7lb more than his allotted weight. The same applies to both Sam and Skegby, who were successful last Saturday. Pezay Sandy should be the favourite's



Little Owl out to restore his reputation

Newcastle programme

1.45 WILD DUCK HURDLE (Div 1) (Novices: £780: 2m 120yd) (11 runners)

1 MASTER'S BOY (E Collinsworth-Cannan) W A Stephenson 7-11-4 R Lamb
2 ROBERT EATON (D Bawdon) P Asquith 9-11-4
3 ROBERT EATON (D Bawdon) P Asquith 9-11-4
4 ROBERT EATON (D Bawdon) P Asquith 9-11-4
5 ROBERT EATON (D Bawdon) P Asquith 9-11-4
6 ROBERT EATON (D Bawdon) P Asquith 9-11-4
7 ROBERT EATON (D Bawdon) P Asquith 9-11-4
8 ROBERT EATON (D Bawdon) P Asquith 9-11-4
9 ROBERT EATON (D Bawdon) P Asquith 9-11-4
10 ROBERT EATON (D Bawdon) P Asquith 9-11-4
11 ROBERT EATON (D Bawdon) P Asquith 9-11-4

3.15 TR

1 11-SE (Handicap: £7,220: 3m) (10)

1 11-SE (Handicap: £7,220: 3m) (10)

2 11-SE (Handicap: £7,220: 3m) (10)

3 11-SE (Handicap: £7,220: 3m) (10)

4 11-SE (Handicap: £7,220: 3m) (10)

5 11-SE (Handicap: £7,220: 3m) (10)

6 11-SE (Handicap: £7,220: 3m) (10)

7 11-SE (Handicap: £7,220: 3m) (10)

8 11-SE (Handicap: £7,220: 3m) (10)

9 11-SE (Handicap: £7,220: 3m) (10)

10 11-SE (Handicap: £7,220: 3m) (10)

2.15 CORBRIDGE CHASE (Handicaps: £858: 3m) (10)

1 3100000 RUBICUND (J) (Doughan) S Hunter 13-12-9 R. Stiles 7
2 2210000 SOLAR BEES (W) (Reed) W Reed 7-12-9 R. Stiles 7
3 2000000 PURSUE (D) (T. Raftery) T. Raftery 13-12-9 R. Stiles 7
4 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7
5 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7
6 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7
7 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7
8 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7
9 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7
10 1300000 LENTON (K) (H. Raftery) H. Raftery 13-12-9 R. Stiles 7

3.45 BEECH C

1 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

1 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

2 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

3 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

4 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

5 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

6 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

7 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

8 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

9 0410000 ROLIVANCE Handicap: £1,390: 2m 120yd (9)

Newcastle selections

1.45 Sandalay, 2.15 Honourable Max, 2.45 Tony, 3.15 Little Owl, 3.45 Sun Cloud, 4.15 Rheinleichen, 4.45 Geordie Lad.

4.15 WILD DUCK HUR

1 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

1 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

2 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

3 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

4 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

5 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

6 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

7 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

8 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

9 4211000 SUPER SOLON R. (Novices: £770: 2m 120yd) (16)

Fakenham programme

1.30 SHERINGHAM HURDLE (selling handicap: £788: 2m 120yd) (14 runners)

1 34000 STRAITS (T. Raftery) T. Raftery 13-11-11 R. Stiles 7
2 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
3 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
4 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
5 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
6 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
7 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
8 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
9 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
10 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7

3.0 HAIG WISKY HURDLE (Novices: £883: 2m 120yd) (15)

1 4211000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
2 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
3 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
4 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
5 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
6 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
7 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
8 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
9 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
10 4000000 HALLO CHERRY (B) (W. Bawdon) W. Bawdon 13-11-11 R. Stiles 7

2.0 SANDRINGHAM CHASE (Handicap: £1,423: 3m) (8)

1 0300000 TRAZUS (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 4312000 ARBY BRIDG (B. Bawdon) W. Bawdon 13-11-11 R. Stiles 7
3 4000000 PRINCE OF PEARL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 4000000 PRINCE OF PEARL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 4000000 PRINCE OF PEARL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 4000000 PRINCE OF PEARL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 4000000 PRINCE OF PEARL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 4000000 PRINCE OF PEARL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

3.0 WALTER WALKER (Handicaps: £946: 2m 150yd) (10)

1 4211000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 4000000 MR. MELLON (D. Harrington) D. Harrington 10-12-7 P. Scudamore

2.30 TOTE CHASE (Novices: £1,113: 2m 55yd) (17)

1 0240000 BUCK AND WING (Cap. A. Pratt) A. Pratt 7-11-9 R. Stiles 7
2 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
3 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
4 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
5 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
6 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
7 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
8 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
9 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7
10 4000000 CRAFTY LOCK (G. Paul) G. Paul 7-11-9 R. Stiles 7

4.0 CROMER HURDLE (Handicap: £1,128: 2m 120yd) (12)

1 1314000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 4000000 HAVENHILL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

Fakenham selections

1.30 Maurice's Tip, 2.0 Tragus, 2.30 James Seymour, 3.0 Che Muddle, 3.30 Roadhead, 4.45 Spike Bill.

Injury ends career of Anaglogs Daughter

The career of one of the most popular Irish-trained steeplechasers since Arkle came to an abrupt and tragic end on Thursday afternoon when Anaglogs Daughter broke down in the first division of the Wild Duck Novices Hurdle.

The 72-month-old mare, who had won 106 times for her 18 victories, was bowling along in her customary winning manner when she suddenly slowed down four furlongs from home.

Gerry Newman, one of three jockeys who rode her, carried in the mare and it seemed that all was well when she was taken to the veterinary hospital at the final fence. She struggled on gamely to finish two lengths behind Smoke Charger, but immediately after passing the winning post Newman jumped off because she was limping.

As he was taken to the hospital, Newman said she would be retired and go to stud as a broodmare. Newman said she was certainly making exciting jumping prospects, but that it was only taken to the hospital because of a compensation to the thousands of racegoers she had thrilled over the past three years.

Why there is lead in petrol

The revival of the debate about lead in petrol, concentrating as it has on the health aspect, has left many motorists wondering what the implications might be for their cars. Here, in response to letters from readers, is what I hope will be a plain man's guide.

First of all, why add lead to petrol? Mainly to raise the octane rating and protect an engine from the harmful effects of knocking or detonation. This has two further advantages. It allows manufacturers to design engines with higher compression ratios, which use fuel more efficiently and which in turn means better performance and fuel consumption.

The use of lead also saves energy in a more direct way. The lower the lead level, the more crude oil has to be refined to replace the lost octane numbers. From the pure energy point of view, therefore, there is a strong case for retaining lead.

Why cannot other additives be used? Shell says it has evaluated nearly 1,000 compounds without discovering one that is suitable. The best alternative seems to be MTBE, methyl tertiary butyl ether, but it is unlikely to be available in sufficient quantities. High octane petrol could be produced without an additive, but the oil industry says that the cost would be prohibitive.

So if the Government decided that all lead should be removed from petrol at once, how many of the present cars would still be able to run? A rough guess is no more than one in ten. The effect of banning lead would be to reduce octane rating on present four-star petrol from about 97 to about 92, which is the common two-star rating.

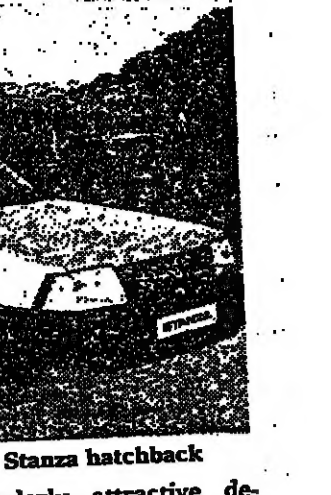
No cars which now require four-star petrol would, therefore, be able to run on lead-free fuel. As for cars now running on two-star, estimated at a fifth of all cars some would be able to switch to leadless petrol but by no means all; it would depend on factors such as compression ratio and valve seating.

Could present cars be converted to run on lead-free fuel? They could but it would be expensive. It would be necessary to remove the cylinder head, thicker gaskets, and reduce the compression ratio; and to bore out and reseat the valves. An informed industry guess is about £300 a car. The engine would also use more fuel, about 6 per cent, and therefore be dearer to run.

In some countries, including the United States, Canada and Japan, new cars have had to run on lead-free fuel since the mid-1970s. But Japanese cars sold in export markets which do not require leadless petrol are often given a higher compression ratio, to boost economy and performance.

If I am worried about the effect of lead on health, it helps to switch to a "two-star" model? No, because the amount of lead in two-star and four-star petrol is similar. The best thing would be to change from a petrol to a diesel car, because diesel fuel has no lead.

If the Government did decide to ban lead in petrol, how long would it take car manufacturers to meet this requirement on future models? The industry says it would need five years to



Catching up fast — the Datsun Stanza hatchback

Southwell results

1.0 (1) CROWN HURDLE Div 1: selling

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

2.0 (2) CROWN HURDLE Div 2: selling

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

3.0 (3) STAR AND CROWN CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

4.0 (4) STAR AND CROWN CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

5.0 (5) TOTE CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

6.0 (6) TOTE CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

7.0 (7) TOTE CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

8.0 (8) TOTE CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

9.0 (9) TOTE CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

10.0 (10) TOTE CHASE

1 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
2 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
3 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
4 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
5 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
6 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
7 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
8 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
9 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore
10 BELMONT GIRL (D. Harrington) D. Harrington 10-12-7 P. Scudamore

make the necessary adjustment.

What are the implications of the Government's present aim of reducing the lead level in petrol from 0.40 grams a litre to 0.15 grams by the end of 1985? First, more crude oil, estimated at 500,000 tonnes a year, will be needed to produce the fuel and there will have to be extra investment at the refineries. The cost of the oil, according to the oil industry, will be about £200m a year and the price of a gallon of petrol will go up by 3p to 4p at today's prices.

Will the low-lead fuel of 1985 be suitable for today's "four-star" cars? Yes, because the Government has stipulated that the octane rating of 97 should be retained.

How would a complete ban on lead eventually affect car design? The trend in recent years, partly because of the energy crisis, has been towards higher compression engines to save fuel without compromising performance. If future engines were required to accept lead-free fuel, compression ratios would almost certainly have to come down and these gains would be partly offset.

But there are other ways of improving the fuel consumption of a car, such as reducing weight and lowering aerodynamic drag, and overall a move to leadless fuel might not have a great effect. Cars would still be much more economical in 20 years' time than they are today.

drive, the Stanza has first to be negotiated. The length of the lead area can be avoided, notably rack-and-pinion steering and independent rear suspension.

The engines are an overhead camshaft design, available as a 1.6 litre and a 1.8 litre. They have been designed to be as small and light as possible and the 1.6 is said to be the lightest in production for its capacity.

The gearboxes, four and five-speed, have overdrive ratios to help economy.

My test car was the 1.6 SGL five-door hatchback, with a 1.6 litre and five-speed box. Power-steering and alloy wheels are standard items and at £5,320 the car is competitively priced against British rivals such as the Cavalier or the Talbot Alpine.

The engine is a lively performer, with the qualification that on the five-speed box the two top gears are both overdrives. That means often dropping down to third for quick overtaking and pulling up hills.

Perhaps the most impressive thing about the engine is its refinement. Turning over at 2,800 rpm, it would appear to be quiet; but even under hard acceleration the smoothness of the car means that the wind is not intrusive either.

Light weight and a low drag factor help to give excellent fuel consumption. The official figures of 25.1mpg in town, 48.7 at 56mph and 37.7 at 75mph are better than most of the obvious competitors. Even cranking about in London traffic jams I did not go below 28mpg and my open road return was 35mpg.

On ride and handling Datsun has adopted almost a French solution. In other words, the car is sprung, absorbed the bumps well, and sets up a prodigious amount of body roll on corners.

Once upon a time, and not so long ago, it was easy to be snuffy about Japanese cars. They might have been good value for money and offered things such as radios that European cars did not; and they were probably reliable. But, apart from their excellent gearboxes, there was not much to be said in their favour; the steering was often soggy, the ride indifferent, and they could be cramped in the back. In fact, they were technically well behind their European rivals.

The Japanese, however, refused to stand still and, having opened up a huge productivity gap over the rest of the world, they proceeded to catch up in design. In appearance and mechanical specification the Datsun Stanza, which went on sale in Britain last month, could easily be a European car.

Replacing the Violett, it is a medium car slightly smaller overall than the Ford Cortina or Vauxhall Cavalier and, like the Cavalier, is being offered in both saloon and hatchback forms. The hatchback, the picture shows, is a

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